

ITEM 3a

38th Annual SA to DC Trip, February 1-4, 2016



TRANSPORTATION ISSUE PAPER

The San Antonio Chamber of Commerce

Request:

In the FAA reauthorization bill in 2016, increase funding and flexibility for the Airport Improvement Program (AIP) and include an increase in the cap of the Passenger Facility Charge (PFC).

Background:

Airport Improvement Program (AIP): The Airport Improvement Program (AIP) provides grants to public agencies for noise mitigation, planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). Eligible projects include improvements related to airport safety, capacity, security, and addressing environmental concerns.

The San Antonio International Airport (SAT) anticipates pursuing entitlement and discretionary grant funding through the AIP for continued airfield upgrades to improve safety, enhance operations and maintain existing infrastructure. The current overall cost estimate of SAT's planned airfield improvements is \$347.2 million for FY 14 through FY 25. The major components of these improvements include reconstruction of runways along with new and rehabilitated taxiways.

In the next two years, SAT will pursue approximately \$29.3 million in federal grant funds for the following projects estimated at a total cost of \$39 million: reconstruction of taxiways; construction of an apron taxiway; construction of connector taxiways; airfield perimeter road reconstruction and airfield program design.

The Chamber supports legislation that increases Airport Improvement Program (AIP) funding and allows greater flexibility to airports in the use of AIP funds.

Passenger Facility Charge (PFC): In addition to federal grants, commercial airports controlled by public agencies may collect Passenger Facility Charges (PFC) from every boarded passenger to fund FAA approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. PFC funds may also be used for airport passenger and baggage conveyance areas that are ineligible for AIP funding, such as terminal gates, baggage claim and loading bridges.

In 2000, the PFC was raised and capped at \$4.50 and has not been adjusted for the past 15 years. Construction cost inflation has since stripped the PFC of almost half its value. This program, which is used by the great majority of U.S. airports, is important in addressing infrastructure needs at San Antonio International Airport (SAT).

The Chamber supports increasing the cap to \$8.50 to provide the same purchasing power as in 2000.



IMMIGRATION & HOMELAND SECURITY ISSUE PAPER

The San Antonio Chamber of Commerce

Request:

Provide \$6.2M in Urban Area Security Initiative (UASI) funding for the San Antonio Urban Area (SAUA). This was the amount of funding received in 2004 and 2010. This funding will greatly assist regional emergency managers, homeland security planners, and first responders prepare, respond, recover, and mitigate future terrorist attacks similar to the recent attacks in Paris and Boston.

Background:

UASI funds help urban areas build the capacity to prevent, protect against, mitigate, respond to, and recover from acts of terrorism. This funding also benefits smaller jurisdictions within the region by increasing the City's mutual aid response capabilities. In accordance with the 9/11 Act, the Department of Homeland Security (DHS) analyzes the relative risk of terrorism faced by the 100 most populous metropolitan statistical areas (MSAs) in the United States. Eligibility for UASI funding is based on the risk profile. The SAUA is currently ranked #36 in the 2015 DHS risk assessment. Strengthening the SAUA, strengthens national security along the Texas International Border with Mexico.

Although San Antonio is the 7th largest city in the Nation and the 3rd fastest growing metropolitan area since 2010 the City's award has substantially decreased since 2010. From 2004 to 2010 the City received UASI funding annually. The City lost UASI funding in FY11 when the number of areas receiving funding was reduced from 64 to 31. In FY12, the City was reinstated at a minimum level when the number of awards was increased to the top 33 ranked areas. In FY13 the number of grantees was reduced to 25 based on a Senate recommendation. Subsequently, the City again lost UASI funding in FY13. The proclaimed largest terrorist's targets in the United States continue to receive the largest share of DHS funds; however the remaining non-funded UASI MSAs need funding to sustain capabilities built over the past ten years. Additionally, San Antonio has a large number of military bases and missions, including the only enlisted basic training base for the Air Force, the nation's largest military hospital, and a significant cyber security presence, that are key in maintaining and enhancing national security.

The 2016 Omnibus Appropriations Act is projected to appropriate more than \$600M for UASI funding. This is the same amount appropriated in 2015 and only 6% less than originally appropriated in 2004 the same year SAUA received \$6.2M.

The Chamber supports an increase in San Antonio Urban Area (SAUA) receiving UASI funding for homeland security grant programs.



GENERAL COMMUNITY PRIORITY

The San Antonio Chamber of Commerce

Non-Stop Service to Ronald Reagan Washington National Airport (DCA)

Non-stop flights into and out of DCA are not allowed to exceed 1,250 miles in any direction – a limitation called the perimeter rule. The perimeter rule was first enacted in 1965 at 650 miles. Over the years, as a part of the FAA reauthorization process, Congress has approved a perimeter extension two times; to 1,000 miles in 1981 and the current 1,250 miles in 1986. Since 1986 Congress has also authorized exemption slots to allow for flights outside of the perimeter. There are currently 40 beyond the perimeter slots available which are divided by airlines among the major markets in the western United States.

The current FAA reauthorization expires March 31, 2016. Preliminary congressional discussions on the issue are already occurring.

Request:

At 1,381 miles from DCA, San Antonio is the second largest market outside of the perimeter to not have non-stop access to DCA. The San Antonio International Airport (SAT) will be requesting a perimeter extension to 1,400 miles to allow for San Antonio to compete for non-stop flights with other airports within the perimeter. With a 1,400 mile perimeter SAT will be the only medium or large hub airport without current non-stop service within the perimeter.

Concerns have been raised by the Washington region of expanding the number of flights into DCA due to noise and congestion complaints. One of the benefits of only expanding the perimeter is that no additional flights would be authorized while allowing San Antonio to compete for existing slots.

The Chamber supports efforts to extend the perimeter by 150 miles, to 1,400 miles, to increase the opportunities for successful negotiations with airlines to provide non-stop service from SAT to DCA.

ITEM 3b

**Congressman Bill Shuster Roundtable to Discuss Expansion of
Perimeter Boundary**

**Government and Public Affairs
Congressman Bill Shuster
Transportation Roundtable
January 20, 2016**

Rob Portman is a Republican Congressman from Pennsylvania and Chairman of the House Transportation and Infrastructure Committee.

Objective: To discuss with the Congressman the Perimeter Boundary Expansion and other transportation priorities for San Antonio.

Request: That Congressman Shuster work with Congressman Lamar Smith, Congressman Cuellar and the rest of the delegation to expand the Perimeter from 1250 miles to 1400 miles.

Strategy: Congress is currently considering legislation to reauthorize the Federal Aviation Administration (FAA). The current legislation was set to expire on September 30, 2015, but congress passed a six month extension until March 2016. The extension will give congress time for additional consideration of the issues in the FAA reauthorization, including the potential to discuss expanding the perimeter.

A San Antonio to DC non-stop flight can be accomplished by expanding the current 1,250 mile perimeter by 150 miles. This would allow a limited number of markets to compete for existing inside perimeter slots. Adding the additional 150 miles will make San Antonio the only medium hub city to be inside the expanded 1,400 mile perimeter that does not currently have non-stop access to DC. Extending the perimeter to 1,400 miles would move other similar or larger airports within the perimeter; however, those airports currently have non-stop service. These airports include Austin & Denver. The extension of the perimeter is the recommended option for pursuing a non-stop flight.

Bill Shuster – Congressman, 9th District of Pennsylvania



Congressman Shuster is committed to bringing greater opportunity and a better standard of living to the people of the 9th district through his focus on economic development and transportation infrastructure. As Chairman of the House Transportation and Infrastructure Committee, Shuster continues to work to secure important funding for roadway projects in the 9th district as well as infrastructure improvements throughout Western Pennsylvania. One of the largest committees in Congress, the Transportation and Infrastructure Committee currently has jurisdiction over all modes of transportation: aviation, maritime and waterborne transportation, roads, mass transit and railroads.

Shuster has served on the House Transportation and Infrastructure Committee since coming to Congress in 2001. He previously served as Chairman of the Subcommittee on Railroads, Pipelines, and Hazardous Materials and as Chairman of the Subcommittee on Economic Development, Public Buildings and Emergency Management.

In addition to Congressman Shuster's expanded role on transportation policy, he continues to be an active voice in support of our Armed Services and a recognized leader on national security matters. Shuster serves on the House Armed Services Committee, which provides him valuable insight into the Global War on Terror and how our military should transform to meet emerging threats, especially the threat of Islamic fundamentalism.

In addition to his regular committee work, Chairman McKeon named Shuster to serve as the chairman of a special panel to investigate the challenges small and medium sized businesses face in doing business with the Department of Defense. The Special Panel on Challenges in the Defense Industry has held roundtables across the country with businesses and hearings with DOD personnel in Washington, DC to find out what Congress must do to reduce barriers to entry and expand our national defense industrial base.

Prior to coming to Congress, Shuster worked on his family's farm in Bedford County, gained valuable marketing and management experience with the Goodyear Tire and Rubber Corporation as well as with Bandag Incorporated where he served as District Manager. He is also an experienced small business owner, having owned and operated an automobile dealership, in East Freedom, Pennsylvania.

Shuster was born in McKeesport, Pennsylvania on January 10, 1961. After graduating from Everett High School he attended Dickinson College in Carlisle, where he received a Bachelor of Arts in Political Science and History. Shortly thereafter he went on to earn a Masters of Business Administration (MBA) from American University in Washington, D.C.

CITY OF SAN ANTONIO

Expansion of Perimeter Boundary

PROPOSAL

San Antonio seeks to obtain non-stop flight service to Reagan National Airport (DCA). Non-stop access to DCA can be an important economic driver for business and tourism market growth. DCA is also a key link to the federal government for the City of San Antonio's significant civilian and military agencies. San Antonio is currently the largest market outside of the perimeter not to have non-stop access to DCA.

BACKGROUND

DCA is subject to two rules designed to limit the number of aircraft that fly into the airport, the slot rule and the perimeter rule. These regulations were put in place in the 1960's to reduce congestion and noise levels near DCA and to support the development of the then recently opened Dulles International Airport (IAD).

Slot Rule

Established in 1969 as a regulation and made into law in 1986, the rule restricts the number of allowable flight operations at DCA. Aircraft must have operational authority to utilize DCA. There are currently 60 slots per hour authorized for the airport. One 'slot' is equivalent to one take-off or landing.

Perimeter Rule

The perimeter rule prohibits non-stop flights from DCA to destinations more than a set distance – currently 1,250 miles – from the airport. The perimeter was first implemented in 1965 at 650 miles. The perimeter has been extended two times in its history. It was extended to 1,000 miles in 1981 and to the current 1,250 miles in 1986.

Congress has authorized exemption slots three times in recent years, 24 slots in 2000, 22 slots in 2003, and 8 slots in 2012. 32 of the exemption slots added since 2000 have been for flights beyond the perimeter. An additional 8 within the perimeter slots were allowed to be swapped to beyond the perimeter slots in 2012, bringing the total number of beyond the perimeter slots currently available to 40.

STRATEGIES TO OBTAIN FLIGHT

Congress is currently considering legislation to reauthorize the Federal Aviation Administration (FAA). The current legislation was set to expire on September 30, 2015, but congress passed a six month extension until March 2016. The extension will give congress time for additional consideration of the issues in the FAA reauthorization, including the potential to discuss expanding the perimeter.

A San Antonio to DC non-stop flight can be accomplished by expanding the current 1,250 mile perimeter by 150 miles. This would allow a limited number of markets to compete for existing

inside perimeter slots. Adding the additional 150 miles will make San Antonio the only medium hub city to be inside the expanded 1,400 mile perimeter that does not currently have non-stop access to DC. Extending the perimeter to 1,400 miles would move other similar or larger airports within the perimeter; however, those airports currently have non-stop service. These airports include Austin & Denver. The extension of the perimeter is the recommended option for pursuing a non-stop flight.