

TO: AIRPORT COMMISSION

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SUBJECT: LEGISLATIVE UPDATE

DATE: July 23, 2019

FEDERAL

Congress continues working on the FY19/20 budget and appropriation items, including the debt ceiling, DOT/FAA, DHS/TSA/CBP, etc.

The House has passed 10 of the 12 regular appropriations bills for the new fiscal year, including the DOT/FAA funding measure. Representatives could consider the DHS/TSA/CBP appropriations measure sometime this month. That bill, which cleared the House Appropriations Committee on June 11, restores funding for numerous programs important to airports, including TSA law enforcement officer (LEO) reimbursement grants and agency staffing of exit lanes.

However, the Senate has not yet unveiled or considered any funding measure. Senate Republican leaders have said they are waiting for a potential two-year budget deal before acting on any FY 2020 government spending bills. But with the new fiscal year fast approaching and no budget deal imminent, Senate Appropriations Committee Chairman Richard Shelby (R-AL) has said the committee could start to consider appropriations bills in July using a tentative top-line spending figure.

Passenger Facility Charges (PFC)

Rep. Earl Blumenauer (D-OR) and Rep. Thomas Massie (R-KY) introduced a bipartisan bill to eliminate the federal cap on local Passenger Facility Charges. The bill is similar to legislation that House lawmakers introduced two years ago.

In exchange for an unlimited PFC, the Blumenauer-Massie bill (H.R. 3791) proposes to cut Airport Improvement Program funding by \$400 million annually and eliminate entitlements for large hub airports. Under current law, large and medium hubs already turn back 75 percent of their entitlements for imposing a \$4 or \$4.50 PFC.

Rep. Peter DeFazio (D-OR), who was then the Ranking Member of the Transportation and Infrastructure Committee, and Massie introduced a similar bill (H.R. 1265) in 2017 to eliminate

the PFC cap and reduce AIP funding. Blumenauer was one of 13 lawmakers who cosponsored that legislation.

DeFazio has suggested that he may still move ahead with legislation to adjust the PFC cap. But he seems to be gravitating toward a modest approach that may call for raising the PFC cap to a certain amount and possibly adjusting it for inflation instead of eliminating the cap all together.

Even though Blumenauer and Massie are now working together on a bill to eliminate the PFC cap, their efforts would not prevent DeFazio - or other lawmakers - from pushing a separate bill to adjust the PFC cap.

Airports around the country continue to press lawmakers to raise the federal cap on local PFCs.

Customs and Border Protection (CBP) Supplemental Funding

Congress approved a Border Supplemental Funding Bill to provide approximately \$4.6 billion to address the situation on the Southern border, including funding for additional CBP overtime that, among other things, is aimed at reducing wait times to process international arrivals at U.S. airports.

Boeing 787 MAX

A number of airlines have announced that Boeing Co.'s 737 MAX planes are unlikely to be ready to carry passengers again until 2020 because of the time it will take to fix flight-control software and complete other items.

PFAS

The House approved a proposal to require EPA to designate PFAS as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). However, under current laws, Airports are required to use aqueous film-forming foam that contains PFAS.

Recently enacted Federal Aviation Administration reauthorization legislation included the requirement for the approval of PFAS-free alternatives within three years. Airports are eager to utilize alternative firefighting foam free from PFAS and are strongly encouraging the FAA to pursue the approval of alternatives as quickly as possible.

Other Federal Legislation

- H.R. 2203, the Homeland Security Improvement Act - Directs CBP to hire at least 600 new officers per year above the current attrition level to address staffing shortfalls at ports of entry, including airports, until the agency meets its workload staffing model.
- H.R. 3694, the Helping Families Fly Act of 2019

- Requires TSA, within one year, to implement training for its front-line personnel on the screening of pregnant women and families with young children at passenger screening checkpoints.
- Requires TSA, within 180 days, to conduct a feasibility study to determine whether screening processes and the screening experience may be improved for travelers by developing optional, dedicated screening lanes for families traveling with young children at airports where the checkpoint configuration would allow it and where the overall functioning of the checkpoint would not be inhibited in terms of passenger throughput or security effectiveness.
- H.R. 3356, the Veterans Expedited TSA Screening Safe Travel Act - Provides TSA PreCheck at no cost to veterans who are amputees, paralyzed or blind.

STATE

Aviation Fuel Tax

The State of California and the FAA are having conversations about how to properly track and account for the dispersant of aviation fuel sales tax in California. State officials have flown to Washington, DC to meet with FAA officials on this matter. The State of California is currently preparing a formal response to the FAA.

California DMV Outreach on REAL ID

The California DMV is continuing efforts to spread awareness of new identification requirements coming in 2020. Beginning October 1, 2020, the Department of Homeland Security requires your driver license (DL) or identification (ID) card be REAL ID compliant if you wish to use it as identification to board a domestic flight.

California Budget

The California State Legislature passed Assembly Bill 74, the California State Budget for FY 2019-2020, and Governor Gavin Newsom signed this into law on June 27, 2019. A summary of the budget is available at: <http://www.ebudget.ca.gov/FullBudgetSummary.pdf>