



The **Michigan Association of Airport Executives (MAAE)** is the professional organization for airport executives throughout Michigan. The primary goal for the MAAE is to assist airport executives in fulfilling their responsibilities to the airports and communities they serve. The MAAE membership includes executives from large and medium size airports, as well as managers from smaller airports.

ISSUE BRIEFING: Legislative Proposal on Transportation Funding

The MAAE is supportive of legislative efforts by Representative Wayne Schmidt and Senator Jack Brandenburg to find a solution for the long term financial needs of ALL of Michigan's aviation industry partners. The MAAE is committed to and supports legislative efforts that provide much needed funding for the State Aeronautic Fund (SAF) which continues to be woefully inadequate. Additionally, legislative efforts should provide critical relief to all users of Michigan's airports to ensure competitiveness of Michigan's aviation industry well into the future.

The MAAE understands the Administration has concerns regarding aviation funding legislation due to its impact on the General Fund. The MAAE is committed to finding a satisfactory solution to the Administration which also meets the needs of the aviation industry.

CRITICAL FUNDING NEEDS:

The MAAE believes a permanent funding solution is needed and when fully implemented, it will provide much needed annual revenue for the State Aeronautics Fund (SAF) in order to restore its operating budget including discretionary programs currently suspended. Those programs include the Airport Awareness Marketing Grants, Small Community Air Service Grants and the Automated Weather Observation System. It would also restore the state/local funding programs currently suspended including: pavement paint marking, windsocks, turf runway marking and Aircraft Rescue and Firefighting (ARFF) training.

Without approval of aviation legislation, the following problematic issues are likely to occur soon:

- Loss of federal funds due to the inability to provide the required State matching funds.
- Loss of State/Local programs.
- Possible loss of some airports.
- Potential layoffs of MDOT Office of Aeronautics employees
- Significant deterioration of aviation infrastructure across the State resulting in significantly higher costs down the road.

HISTORY & BACKGROUND:

Aviation generates an estimated \$19 billion in economic activity in the State of Michigan. Michigan airports support over 100,000 jobs at Michigan airports. There are over 50 million annual passengers, 1 billion pounds of air cargo/US mail annually. For every \$1 million invested 43 jobs are created thus proving that airports are economic engines.

The current funding structure is supported from a variety of sources with the majority of revenue coming from the 1929 aviation fuel tax of \$.03 per gallon. Due to the fact that the tax structure has remained unchanged for eighty three years, with the exception of a 50% rebate to commercial airlines, it no longer supports the administrative and capital responsibilities of MDOT's Office of Aeronautics (AERONAUTICS).

The 1929 Aviation fuel tax was implemented as a method to generate revenue for the promotion and development of aviation in the State of Michigan. The SAF was created in 1945 by PA 327, which facilitates the operation of the AERONAUTICS. As such, the SAF funds all of the vital aviation functions of AERONAUTICS as well as other critical programs previously mentioned in this briefing.

The MAAE seeks the Administration's support to a long term funding solution which invests in the Michigan Airport System. The future cannot be a mere extension of the past and doing nothing is simply no longer an option.