

**REPORT OF THE  
AVIATION TRANSPORTATION AND AIRPORTS STUDY COMMISSION**

**REPORTED TO  
THE GOVERNOR  
AND  
GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 25**

**COMMONWEALTH OF VIRGINIA  
Department of Purchases and Supply  
Richmond  
1975**

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Report of the  
Aviation Transportation and Airports Study Commission  
to  
The Governor and the General Assembly of Virginia

Richmond, Virginia  
January 1975

To: Honorable Mills E. Godwin, Jr., Governor of Virginia  
and  
The General Assembly of Virginia

The Aviation Transportation and Airports Study Commission was created by Senate Joint Resolution No. 52 of the 1972 General Assembly, and continued by Senate Joint Resolution No. 57 of the 1974 General Assembly.

The Commission was directed to make a broad study of the current and future aviation needs of Virginia, the success of current efforts to meet those needs and the role the state government should play in such efforts.

The Commission is composed of twenty members appointed by the Governor, the Privileges and Elections Committee of the Senate and the Speaker of the House of Delegates with one designated by the Chairman of the Commission to Study the Desirability of Acquiring Dulles International and Washington National Airports.

There are three ex-officio members: the Director of State Planning and Community Affairs, the State Commissioner of Taxation, and the State Treasurer. Of the Governor's eight appointees, four represent the general public.

Many of the more important study items turned out to be more complex and controversial than had been anticipated. The Commission membership represented a number of divergent interests whose views were not easily reconciled when it came to specific recommendations. We are reluctant to issue a report with firm majority recommendations, knowing that there are strong minority dissents. We are equally reluctant to issue bland general recommendations to which all members might subscribe. Hence we feel that further study is required and this, then, is an interim report. We expect a final report to be issued by June 30, 1975.

The report is presented in six sections. The first section presents a brief overall summary of the Commission's activities. Sections II through V, explore some of the key issues in more detail, while section VI outlines the full scope of the studies underway.

The Commission is appreciative of the extensive efforts and outstanding cooperation of the Division of Motor Vehicles, the Department of Taxation, the Department of Accounts, the State Corporation Commission, the Office of the Attorney General, the Office of the Auditor of Public Accounts, and, in the private sector the Virginia Air Trades Association, the Air Transport Association and the National Association of State Aviation Officials.

Respectfully submitted,

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I. Record of the Activity of the Commission

A. Organization

1. Origin

The Aviation Transportation and Airport Study Commission was created by Senate Joint Resolution No. 52 of the 1972 Session.

2. Membership

The Commission membership was appointed as follows:

Sen. Paul W. Manns, Chairman\*  
Bowling Green, Va.

Del. Daniel G. Van Clief--Vice Chairman\*  
Esmont, Va.

Sen. Howard P. Anderson  
Halifax, Va.

Del. Warren E. Barry  
Springfield, Va.

Sen. Adelaar L. Brault  
Fairfax, Va.

Mr. Paul B. Brice  
Owner: Sky-Brice Airport  
Basye, Va.

Sen. Leslie D. Campbell, Jr.  
Ashland, Va.

Mr. Charles J. Colgan  
Pres. Colgan Airways  
Manassas, Va.

Mr. William L. Cooper  
Pres. Cooper Lumber Co.  
Rocky Mount, Va.

Mr. T. H. Davis  
Pres. Piedmont Airlines  
Winston-Salem, N.C.

Del. C. D. Dunford  
Tazewell, Va.

Mr. W. Calvin Falwell  
Pres. Falwell Aviation, Inc.  
Lynchburg, Va.

Mr. Richard H. Jones  
Attorney  
Arlington, Va.

Mr. Thomas J. Lennon  
Pres. Virginia Hot Springs, Inc.  
Hot Springs, Va.

Del. George N. McMath  
Onley, Va.

Mr. David P. Payne  
Pres. (Ret.) Aero Industries  
Richmond, Va.

Del. Carrington Williams  
Fairfax, Va.

Director of State Planning &  
Community Affairs, ex-officio

State Commissioner of Taxation,  
ex-officio

State Treasurer, ex-officio

3. Sub-committee Structure

The Commission formed four working sub-committees as follows:

a. Airport Planning and Coordination

<u>Brault--Chairman</u>	Cooper
Barry	Falwell
Christopherson	McMath

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\*The Chairman and Vice Chairman were elected by the Commission at the organizational meeting.



The charge to this sub-committee was to be responsible for all matters pertaining to the development of airports. This included the monitoring of the State Airport System Study and addressing Virginia's concerns with the Dulles International and Washington National Airports.

b. Organization

Anderson-- <u>Chairman</u>	Dunford
Campbell	Payne
Colgan	Van Clief

The Organization sub-committee was assigned to the task of studying the roles played in the Virginia aviation picture by existing agencies and other official bodies and evaluating other possible structures for the future.

c. Programs, Management and Financial Requirements

Williams-- <u>Chairman</u>	McMath
Barry	Cooper
Brice	Davis
Colgan	Falwell
Jones	Payne
Lennon	Whitham

The role of this sub-committee was to determine the proper activities to constitute an aviation program in Virginia and to estimate the costs of such a program.

d. Revenue

Campbell-- <u>Chairman</u>	Forst
Brault	Miller
Connock	Van Clief
Davis	Williams

Working with the short and long term projections developed by the Programs Management and Financial Requirements sub-committee, the Revenue sub-committee was asked to consider all possible means of generating the funds required to support the program as ultimately recommended by the Commission.

B. Meetings

The Commission held its organization meeting on September 6, 1972, all but one member of the Commission having been named by this time.

The full Commission has held seven meetings, and the sub-committees have held a total of 15 meetings. At almost all of these meetings testimony and presentations were invited and accepted from private and public individuals and groups having concerns and interests related to aviation in Virginia.

In addition, the Commission participated actively in the Virginia State Aviation Conferences in 1972, 1973, and 1974.

C. Staff

In mid-November 1972, the Commission selected Mr. Wesley Ellms, then of Lewis T. Klauder and Associates as its full-time consultant. Mr. Ellms had served as consultant for the Commission for Economy in Governmental Expenditures. Mr. Ellms remained with the Commission until 1 October 1974, when he resigned to accept a position with the State Division of the Budget. Since that date, limited technical assistance is being provided by Professors A. R. Kuhlthau and Robin Ransome of the Department of Engineering Science and Systems, School of Engineering and Applied Science at the University of Virginia, as part of their activities under the Virginia Transportation Research Program. This program, administered by the Virginia Polytechnic Institute and State University, is funded by the U. S. Department of Transportation through its Program of University Research.

- The Commission is most grateful to the Division of Legislative Services for providing expert staff support in the persons of Miss Constance D. Sprouse and Mr. Laurens Sartoris.

D. Funding and Schedule

The original legislation provided funds in the amount of \$40,000 for the Commission's work for the 1972-74 biennium. Because of the great complexity of the aviation situation in Virginia and because of several major issues which arose during this period, as outlined in the next section, the Commission was unable to complete its work in the original 2 year period. Also a new effort resulted from a sudden decision by the FAA to restructure route assignments at the Federal Washington Airports (See section E-2 and section V-A below). Accordingly an additional \$20,000 was obtained from State sources to assist the Commission in its work on the many problems resulting from this action.

In the 1974 Session of the Assembly, the Commission was continued by Senate Joint Resolution 57. However in spite of the fact that the Commission was asked to complete its work by 1 December 1974, the amount of funds requested by the Commission was not granted. Instead only \$10,000 was allowed.

This forced the Commission to look elsewhere for financial support to complete its study of the important aspects of the future of aviation in Virginia. Fortunately, through the assistance of the Division of State Planning and Community Affairs, it was possible to obtain a small amount of funding from the U. S. Department of Housing and Urban Development. Unfortunately in order to obtain these funds it was necessary for the Commission to agree to have its staff undertake some additional studies which were not specifically addressed by the Senate Resolutions. This work had to be staged to meet the HUD payment schedule and has had a net effect of contributing further to the delay in completing the work for the Assembly. Completion is now estimated for June 30, 1975.

E. Historical Development of Activities

As the work of the Commission began in the fall of 1972 several events occurred, both a result of the Commission activities and independent of them, which caused a rather large increase in the work load for the Commission. In this section these will be summarized briefly. In the remainder of the report the actions taken by the committee on the various issues and their current status will be described, and the work yet to be done will be outlined.

1. As early as March of 1971, a bill was introduced into Congress by Senator Spong (S.1098) to "authorize the states of Virginia, Maryland, and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports. Although the bill did not become law interest in the issue of competition between Dulles and Friendship was increased markedly by the decision of the State of Maryland to expand and remodel Friendship (renamed Baltimore-Washington International Airport) and to actively promote its use through the State Department of Transportation. It appeared to everyone's mutual interest for the three jurisdictions, Maryland, Virginia, and the District of Columbia, with due concern for the myriad of regional and local interest groups involved, to work together to see if a way could be found to schedule traffic of the three Washington Area airports to everyone's satisfaction, and thus avoid costly competitive activities. The Commission thus became involved in exploring the problem.
2. On January 29, 1973 the FAA announced its intention to restrict the use of Washington National Airport to make it a short or medium haul facility and force other flights to use either Dulles or Baltimore. The effective date was set as 1 July 1973. This ruling, if made, would have a tremendous effect on the development of Dulles as well as on increased availability of National for much needed additional short haul service and so the Commission felt that it was its clear responsibility to meet this issue with vigor. Thus a large amount of its effort and that of its staff and consultant during the period of January--June 1973 was devoted to generating support for the proposed ruling. Unfortunately the ruling was never made due to extreme pressure from various Federal Government sources.
3. Early during the studies of the aviation tax situation in Virginia it became apparent that the existing structure was inequitable, difficult to manage, and not generally in the best interest of aviation in Virginia. Thus the task of drafting new aviation fuel and aircraft titling tax statutes for Virginia was undertaken. A large amount of effort was required to prepare the background and supporting material required to insure proper consideration by the General Assembly. The new taxes proposed by the Commission were adopted by the 1974 Session and there are further comments on this issue in Section III.

4. In December of 1973 the Environmental Impact Statement concerning Route I-66 going through the Washington from the west was released for review and comment. Because of the great controversy over this issue and the direct relationship of this highway to the need for improved access to Dulles Airport from Washington, the Commission found that it had no alternative other than to address the matter in great detail to assure that its impact on aviation in Virginia was accurately and fairly presented. Additional discussion on the matter will be found in Section V.
5. For many years the air freight rates established by CAB have discriminated against the Washington area in favor of Kennedy (NYC) in the North Atlantic Market. Although the State, and in particular the northern Virginia localities had appealed to the CAB for uniform east coast rates similar to the situation which currently exists on the west coast, the CAB published new rates to go into effect on September 30, 1973, which maintained the discrimination. The Commission felt compelled to assist in whatever way possible to continue the struggle to achieve an equitable rate structure as it is a matter of vital concern to the development of Dulles Airport and the entire aviation industry and general economy in Virginia. Section V also contains additional comments on this matter.
6. On August 24, 1973, the FAA proposed turning over some of its responsibilities for administering certain activities and programs to the states. As might be expected, controversies developed over the issue and the Commission undertook the task of analyzing the matter as it pertains to Virginia. This is still under study and no final decision has yet been made by the FAA.
7. In the fall of 1973 when the fuel shortage struck, the Commission felt it desirable to take a position in the interest of state aviation by gathering data to point out to the CAB and to the Federal Energy Administration that the proposed fuel cutbacks for air transportation were not actually in the best interest of conserving energy. We were assured by several high level sources that the data submitted to the U. S. Secretary of Transportation and others was influential in eliminating the proposed curtailment of fuel for general aviation.
8. A principal activity of the Commission has been to examine the organizational structure for aviation in Virginia and in other states. This work is summarized in Section II. One contribution in the area was the concept of the establishment of a Governor's Council on Transportation. This was enacted by the General Assembly of the 1974 Session as Senate Joint Resolution 56 co-sponsored by Senators Manns and Campbell.
9. Throughout the period of its existence the Commission, especially through the staff and consultants has fulfilled the responsibility to monitor the Virginia Air Transportation System Study. This matter is addressed further in Section IV.

F. Reports

In connection with its contract with the Division of State Planning and Community Affairs, the Commission has submitted extensive documentation on the topic of organizations (See Sec. II) and the I-66 relationship to Dulles Airport (See Sec. V-c), as well as introducing material on several other issues.

As the work under the contract progresses, additional detailed reports will be issued in accordance with the general topics outlined in Section VI.

Because of their bulk and in the interest of economy, the detailed reports prepared to date have not been duplicated for general release to the General Assembly or to the public. The Commission will be delighted to make copies available on request to anyone interested in pursuing these matters. The same policy will be followed for those documents yet to be prepared.

## II. Organization of Aviation in Virginia

The first section of this part of the report will outline the various organizations that currently have a major impact on aviation in Virginia. In the case of the major units a brief indication of their activities or interests is given. The last section will present a brief discussion of some additional requirements needed if Virginia is to realize the potential which aviation might bring to the Commonwealth.

### A. Survey of Current Status

#### 1. Activities at the State Level

##### a. Division of Aeronautics of the State Corporation Commission

The main emphasis of the Division of Aeronautics has been on general aviation in Virginia. It provides a large number of services and conducts many activities generally grouped under the following major headings.

- (1) Airport and airway aid to communities and other sponsors
- (2) Promotion of aviation safety in Virginia
- (3) Administration and regulation of aviation in Virginia
- (4) Promotion of Virginia aviation (primarily general aviation)
- (5) General aviation service to Virginia
- (6) Air transportation of State personnel
- (7) Maintenance of State aircraft

##### b. Virginia Airports Authority

The charter of this body created by the General Assembly permits the purchase, construction and operation of airports and airport improvements. It meets regularly but currently has no staff. It has been involved in three activities of major significance.

- (1) An attempt to establish a general aviation reliever airport for Washington National Airport in Fairfax County
- (2) The assumption of responsibility for and operation of the Tangier Island Airport
- (3) Consideration of the possibility of constructing facilities at the two Federally owned "gateway" commercial airports in Virginia (Washington National and Dulles International) which would enhance their abilities to provide services needed by Virginia.

##### c. Virginia Advisory Committee on Aviation

VACA is a seven member committee appointed by the Governor. Historically it has had balanced representation from all sections of the state, and between large and small communities. It has no executive powers but acts as a communications link between the SCC and the aviation community to bring expertise to the SCC.

d. Dulles International Airport Development Commission

This is a temporary joint Commission of the General Assembly. It works for the promotion of the use of Dulles International Airport by various means including representation at CAB proceedings at its discretion.

e. Commission to Study the Desirability of Acquisition of the National Capitol Airports

This is a temporary joint commission of the General Assembly which has investigated and analyzed the effect of acquisition of the two Federally owned and operated commercial airports in Virginia. It continues to watch developments and is prepared to initiate further efforts when the time seems appropriate.

f. Division of State Planning and Community Affairs

This division of the Governor's office is responsible for accomplishing the major planning efforts of the State government. By analysis of economic and demographic factors it establishes the basis for the State's long and short term planning. This information serves to guide and counsel the Governor's office as well as the separate offices of his cabinet. In addition, the Division provides special professional assistance on particular projects when called upon by the cabinet members. Through the State's twenty-two planning districts the Division provides close liaison and support to local jurisdictions in their planning efforts, and as such is the principal force in the coordination of the State's many activities.

The Division has a Transportation and Public Safety Section whose main functions, taken in the above context are

- (1) To serve as an agency for the development and maintenance of data and policies useful for transportation planning.
- (2) To perform special transportation projects for which they are particularly adapted and qualified.
- (3) To provide a great variety of staff and other special assistance to State officials, agencies, legislative commissions etc. in transportation-related work.

Because of the Division's role as coordinator of the many planning activities in the State, it agreed to have the Transportation and Public Safety Section assume the responsibility for the initiation of the Virginia Air Transportation System Study. As soon as feasible this responsibility was transferred to the Division of Aeronautics. However, the Transportation and Public Safety Section continues to monitor and share in the support of the study. Its present role is to assure that the premises, policies and conclusions of the study are properly coordinated with the activities of the planning districts and with the extensive aspects of the State's master plan which interact with aviation transportation.

g. Department of Highways and Transportation

The Department of Highways and Transportation was made responsible for the coordination of all transportation by the 1974 General Assembly, effective July 1, 1974. Previously it had been responsible only for highway and metropolitan transportation planning.

In line with its new responsibility, a Transportation Planning Division was established headed by a Director of Transportation Planning. This division is developing a complement of planners and economists charged with the coordination and differentiation of a comprehensive transportation plan for the State.

h. Governor's Council on Transportation

This Council was created by the 1974 General Assembly through Senate Joint Resolution 56 introduced in the Senate by Senator Paul W. Manns, Chairman of this Commission and co-sponsored by Senator Leslie D. Campbell, Jr., Chairman of the Senate Transportation Committee. The Council was proposed in response to a need recognized as a result of this Commission's study of the total aviation picture in Virginia. Not only is there a large number of interests, programs, and activities associated with aviation at present (as illustrated throughout this section) but there are also many additional types of effort required to adequately develop aviation as a transportation system and as a means of stimulating trade.

The previous make-up of the State transportation groups tend to consist of those whose principal concern is in a particular transportation sector and who are generally associated with transportation at the level of operational or regulatory responsibility. What was lacking is a body that could approach transportation problems from a general point of view and, with representation from all segments involved including consumers, localities, environmental groups, etc., provide objective advice and counsel to the Governor and the General Assembly on matters of policy. This then in a general sense is the role of the Governor's Council on Transportation.

i. Virginia Transportation Research Council

Operated as a cooperative effort between the Department of Highways and Transportation, and the University of Virginia, this research and development organization, located in Charlottesville was formerly known as the Virginia Highway Research Council prior to the reorganization of the Department in July 1974. It employs about 75 full time and 75 part time employees and it is funded through the Department, both from its own budget and from Federal funds available to the Department.



The range of interest of the Council is indicated by the sections into which it is divided: Bituminous; Concrete; Structures; Industrialized Design; Safety; Traffic; Environmental Management and Economics; Data and Analyses; Maintenance; Pavements; Soil; Geology and Physical Environment.

The facility provides excellent opportunities for industry, faculty and students to become associated in worthwhile practical applications of research. Several graduate students are normally employed, and many undergraduate students are given the opportunity for direct research participation.

As yet, the Council has not been active in the area of air transportation or aviation.

j. Virginia Transportation Research Program

This is based on a research grant funded by the Program of University Research of the U. S. Department of Transportation. The basic grant is with VPISU but all major state-supported academic institutions in the state with an interest in transportation participate. The program is very general in its approach and covers all modes and types of transportation. The intent is to work on fundamental aspects of transportation problems of interest to Virginia, and a Steering Committee has been formed which includes membership from the universities, state agencies, regional planning groups and private citizens.

At the present time a group at the University of Virginia has been responsible for the aviation segment of the program, and is conducting several studies associated with various aspects of the short-haul or commuter air transportation market in Virginia.

k. Other State Agencies

There are several Virginia agencies whose mission interacts with aviation in some reasonably significant way. Although they have no particular responsibility for aviation per se their interests and relationships with aviation must be given due consideration in the overall state aviation program.

These agencies include, but are by no means limited to:

- (1) Virginia Travel Council--the relationship between aviation and tourism is obvious
- (2) Division of Industrial Development--here again the effect of air transportation on the business and industrial climate of any region needs no further comment
- (3) Department of Health--primarily in the area of emergency medical services and other health care delivery activities.
- (4) State Police--aviation, both helicopter and light aircraft, is now an important component of traffic control in many states

- (5) Office of Emergency Services--aviation is vital to mobility and communication in many types of civil emergency situations
- (6) State Energy Office--energy and transportation are inseparable
- (7) Council on the Environment--the interaction between transportation and the environment must always be given due consideration
- (8) Division of Motor Vehicles--indirectly involved since it collects the tax on aviation fuel.

## 2. Federal Activities

Although there are several Federal agencies involved in research and development efforts which will eventually be of interest to aviation in Virginia (eg. NASA, DOD, DOT, ARPA to name a few) there are only two Federal Agencies of primary, direct and immediate concern. These are, of course, the Federal Aviation Administration and the Civil Aeronautics Board. In addition, two or three others either do have or could have some degree of involvement. A few comments follow about each.

### a. Federal Aviation Administration (FAA)

This organization is the basic administrator of the nation's airport and airways facilities. It was created by section 301 of Title 3 of the Federal Aviation Act of 1958 (72 Stat. 744, as amended by 78 Stat. 424 USC 1341). Among the specific responsibilities assigned to FAA by these statutes are:

- (1) The regulation of air commerce in such manner as to best promote the development and safety and fulfill the requirement of national defense
- (2) The promotion, encouragement, and development of civil aeronautics
- (3) The control and use of the navigable airspace of the United States and the regulation of both civil and military operations in such airspace in the interest of the safety or efficiency or both
- (4) The consolidation of research and development with respect to air navigation facilities, as well as the installation and operation thereof
- (5) The development and operation of a common system of air traffic control and navigation for both military and civil aircraft.

In performing these specifically assigned functions, FAA does such things as: certifying new and modified aircraft of every kind; developing, installing, operating and maintaining a tremendous air traffic control system; examining and licensing all pilots, mechanics, inspectors, instructors and airports; disseminating all manner of information--weather, navigational, structural, mechanical etc; prescribing

and enforcing a wide variety of technical standards of operation for all phases of aviation; and conducting a broad program of research and development in many areas.

Of great significance to Virginia is the fact that FAA is currently assigned the responsibility of operating the two federally owned airports which serve as the major gateways to Virginia: Washington National, and Dulles International; and that it administers the ADAP program which currently funds the major share of airport and airways construction and improvement.

b. Civil Aeronautics Board (CAB)

The Civil Aeronautics Board is an independent agency established under the Civil Aviation Act of 1938 (52 Stat 973) and continued by the Federal Aviation Act of 1958 (72 Stat 731). It has broad responsibility for the encouragement and development of civil aviation and it is vested with economic regulatory powers over civil aviation within the United States, and between the United States and foreign countries. In fulfilling these responsibilities the Board engages in the following principal activities (it has no authority over intrastate matters):

- (1) Granting of authorizations to carriers to engage in interstate and foreign air transportation.
- (2) Establishing of tariffs, rates, and fares charged the public for air transportation.
- (3) Approving of mergers, agreements, acquisitions of control, and interlocking relationships involving air carriers.
- (4) Establishing rules and regulations relating to the competitive practices of air carriers and ticket agents engaged in air transportation or the sale of tickets for this purpose.
- (5) Establishing rates for the carriage of mail by air carriers.
- (6) Authorizing and paying of subsidies to certain air carriers whose services are not self sustaining but are required by the public convenience and necessity.
- (7) Regulating the accounting practices of air carriers.
- (8) Establishing the format for regular operating and financial reports to be submitted by all air carriers.
- (9) Promulgating to other Government agencies and to the public the information obtained from the air carrier reports.

c. Other Federal Agencies

These basically fall into three classes. The first is those having a direct concern with transportation. This category includes the U.S. Departments of Transportation and of Housing and Urban Development. While the interest of HUD in transportation is in the urban setting, urban transportation systems can often have a major influence on systems for airport access. In the case of DOT, this agency is basically a conglomeration of previously independent groups such as FAA, the Federal Highway Administration, the U.S. Coast Guard, the Federal Railroad Administration, etc. To coordinate these efforts and to attempt to provide a total transportation flavor to its mission, the Office of the Secretary maintains a large staff and operational structure. This includes Assistant Secretaries (and their staffs) for Policy and Planning, and for Science and Technology. It is in these offices where the primary interactions with state programs may take place.

The second class of Federal agencies are those concerned with areas which naturally overlap with or impact upon aviation. Examples are the Environmental Protection Agency, and the Federal Energy Office. In most, but not all, instances the contact is not direct but the concerns and responsibilities of these offices are transmitted to aviation through direct interaction between the agency and the FAA.

Finally, agencies concerned with economic development, such as the Appalachian Regional Commission and the Coastal Plain Commission have provided some modest funding to promote aviation within their areas as a means of providing valuable transportation links to facilitate the development of remote or impoverished areas. For example, the Coastal Plain Commission has provided financial support for certain routes of Air South, a short-haul commuter airline operating in its region.

3. Regional and Local Activities

a. State Planning Districts

State Planning Districts were established under the Virginia Area Development Act (1968, c. 224) (Title 15.1 of the Code). Among the purposes of the Act which relate indirectly to transportation are:

- (1) To improve public health, safety, convenience and welfare, and to provide for the social, economic, and physical development of communities and metropolitan areas of the state on a sound and orderly basis, within a governmental framework and economic environment which will foster constructive growth and efficient administration.

- (2) To provide a means of coherent articulation for community needs, problems, and potential for service in relation to State government.
- (3) To foster planning for such development by encouraging the creation of effective regional planning agencies and providing the financial and professional assistance of the State.

The boundaries of the districts were established by the Division of State Planning pursuant to paragraph 2.1-63.5 of the Code. Actually 22 districts were defined and all 22 have formed planning district commissions in accordance with the option offered by paragraph 15.1-1403 of the Code.

The principle duties of the regional planning commissions are

- (1) to prepare a comprehensive plan for the district, which upon approval by the State Division of Planning, is submitted to each governmental subdivision within the region for adoption. Upon adoption, it is binding upon that governmental subdivision.
- (2) to periodically review the plan as to the need for possible revisions
- (3) to review for conformity with the plan, all applications for State or Federal aid by governmental subdivisions.

The regional planning commissions do not have the responsibility to undertake any functions to implement the plans.

Because of the broad scope of interest of these regional planning commissions it is obvious that they must be involved with transportation matters, particularly as they are related to such issues as land use, pollution, and requests for State and federal assistance.

b. Transportation Districts

The Transportation District Act of 1964 as amended in 1973 and 1974 (Title 15.1, paragraph 1342-1364) recognized that as a matter of policy:

"The development of transportation systems, composed of transit facilities, public highways, and other modes of transport, is necessary for the orderly growth and development of the urban areas of the Commonwealth for the safety, comfort, and convenience of its citizens, and for the economic utilization of public funds. The provision of the necessary facilities and services cannot be achieved by the unilateral action of the

counties and cities, and the attainment thereof requires planning and action on a regional basis, conducted cooperatively and on a continuing basis, between representatives of the affected political subdivisions and the State Highway Commission. In those urban areas of the Commonwealth which are contiguous to other states, and together form a single metropolitan area, solutions must be jointly sought with the affected political subdivisions and highway departments of such other states. Such joint action should be conducted in a manner which preserves, to the extent the necessity for joint action permits, local autonomy over patterns of growth and development of each participating political jurisdiction. The requisite joint action may best be achieved through the device of a transportation district --- "

The Act then proceeds to define the ways in which districts may be established, and their powers, authority, responsibilities etc. Although the wording of the Act including the direct involvement of the Department of Highways makes it clear that the emphasis at the time of creation was on ground transportation, this can have a tremendous effect on aviation (eg. the Dulles-I66 interaction). Furthermore, now that the Department of Highways has been given broader responsibilities as the Department of Highways and Transportation, the role of transportation districts in aviation may become much more direct. Certainly these districts are intended to operate in areas where commercial air transportation is a major ingredient of sound economic development.

To date 3 transportation districts have been formed. These are:

- (1) Northern Virginia Transportation District
- (2) Peninsula Transportation District
- (3) Tidewater Transportation District

c. Regional Airport Commissions

A regional airport commission can be created by the agreement of two or more local jurisdictions. When agreement as to the need of an airport can be reached such a commission provides an excellent means for sharing the burdens and benefits of a type of facility which nearly always affects more than the jurisdiction in which it is located. There are many such regional groups throughout the state.

d. The Peninsula Airport Commission

The Peninsula Airport Commission (Chapter 22, 1946 Acts of Assembly) serving the Newport News-Hampton area is different from all other airport commissions. It is exempt

by statute from control by the State Corporation Commission over allocation of federal funds. It can thus deal directly with the FAA. However, it has declined to accept FAA planning funds because these would be contingent on a prior study to determine the airport needs of the Hampton-Roads area.

e. Local Jurisdictions

Local governments of all types become deeply involved in transportation matters. In those instances where the locality is large enough to warrant an airport they soon become an intimate part of the aviation scene. This is primarily because they, the elected officials, become targets for the initial contacts of private industry, other public officials, and a myriad of citizen and quasi-public groups formed for a variety of purposes which interact in some way with aviation (see subsection g, below). In far too many instances these contacts are for very specialized interests of the particular individual and group, and the local officials are forced to deal with issues for which they have neither the knowledge, background, nor resources to reach decisions which can be made in an environment conducive to what is best in the overall sense for aviation in the community, region, or state.

Most airports have publicly appointed boards or commissions of some sort to assume responsibility for the establishment of operational policies and for recommending policy for development of the facility. These groups become prey to the same pressure forces as the elected officials. In addition they frequently become directly involved with the FAA and CAB as well as with the airlines serving or desiring to serve the area.

f. Multijurisdictional Units (Interstate)

This type of organization exists primarily in the Northern Virginia area, although it is beginning to show substance in the Bluefield area, and there are other regions such as the eastern shore, the Danville area, and perhaps the southwestern corner of Virginia where a distinct possibility exists for such arrangements. At the present time the discussion will be oriented toward the metropolitan Washington complex. The following organizations exist, all of which bear some relation to aviation in the area:

(1) Metropolitan Washington Council of Governments (COG)

COG was formed in 1957 by elected officials from the major cities and counties in the Metropolitan Washington Area. It

is concerned with all aspects of metropolitan development and serves as the regional planning agency, including transportation planning. It currently has 194 members and is governed by a 23 member Board of Directors, 9 of whom are from Virginia--5 from county governments, 3 city officials, and one representative of the General Assembly.

The Council coordinates, plans, studies, and provides various other services to its member jurisdictions. The Council itself does not regulate, govern, control, manage, nor direct. Such functions are accomplished by the constituent jurisdictions. COG also provides various kinds of support, staff, and guidance to associated organizations such as the Transportation Planning Board, and the National Capital Interstate Air Quality Planning Committee.

Of great importance to the air transportation system is the National Capital Region Air Facilities Plan and Program, a study funded two-thirds by the FAA and one-third by the COG and the District of Columbia. This study is under the management of the Council.

The Council has a large number of permanent committees including Transportation, Air Pollution, Regional Open Space, as well as many others less closely related to aviation. An ad-hoc Airport Committee was appointed recently to formulate policy on and to keep abreast of developments in the possible transfer of the National Capital Airports from the Federal Government to some other jurisdiction.

(2) Northern Virginia Transportation Commission

This Commission was formed under the Virginia statutes as a public agency to plan and assist in financing a regional transportation system for Northern Virginia in conjunction with state participation in the Washington Metropolitan area transit complex. Commission members are appointed by and from the governing bodies of Arlington and Fairfax counties and the cities of Alexandria, Fairfax, and Falls Church.

(3) National Capital Planning Commission

This is the central planning agency for Federal and District of Columbia governments in the National Capital Region. It prepares and adopts the Comprehensive Plan for the National Capital, reviews Federal and District projects, plans for the conservation of important natural and historical features of the National Capital, and represents the Federal interest in the growth and development of this region.

Of prime importance to aviation in Virginia, it must approve all physical changes to the two Federal airports.



(4) Washington Metropolitan Area Transit Commission

This was created by interstate compact in 1968. It has jurisdiction over the fares of interstate taxicab and local sight-seeing carriers, charter operators, and private regular route operators in the Metropolitan Transit District.

(5) Washington Suburban Transit Commission

This is a bi-county agency created in 1965 by the Maryland General Assembly with codes and functions generally parallel to that of the Northern Virginia Transportation Commission.

(6) Washington Metropolitan Area Transit Authority (WAMATA)

Created by interstate compact in 1966, this agency is charged with planning, developing, operating, and financing a rapid rail and bus transit system for the Washington area.

g. Citizen and Special Interest Organizations

There are a tremendous number of organizations either directly concerned with aviation issues or involved in areas which overlap with aviation. It would be impossible as well as of little value to make a detailed comprehensive listing in this document. Some illustrations of the general types encountered may be of value, however. They can be generally classified into 3 categories. First, national, state, or local trade or professional organizations; second, local or regional organizations of fairly permanent character who work for some general objective, often in conjunction with public bodies; and third, ad-hoc citizen groups which form to extoll all sides of specific local issues. Examples of each type are

- (1) Virginia State Chamber of Commerce  
National Association of State Aviation Officials  
Air Transport Association  
Airport Operators Council  
National Air Transportation Association  
Aircraft Owners and Pilots Association  
General Aviation Manufacturers Association  
Virginia Air Trades Association

(2) On October 10, 1973 a Virginia Conference on World Trade was held at Williamsburg. The list of cooperating organizations was as follows:

Hampton Roads Foreign Commerce Club  
Hampton Roads Maritime Association  
Maritime Terminals Inc.  
Newport News Marine Terminal  
Norfolk Port and Industrial Authority  
Portsmouth Terminals Inc.  
Richmond Export-Import Club  
Virginia Department of Agriculture and Commerce

Virginia Division of Industrial Development  
Virginia Highway Users Association  
Virginia Peninsula Industrial Committee  
Virginia Pilot Association  
Virginia Ports Authority  
Virginia Railway Association  
Virginia State Chamber of Commerce  
Womens Traffic Club of Norfolk-Portsmouth

(3) As the controversies surrounding the development of Dulles International and Washington National Airports mounted, groups like the following became active.

Friends of Dulles  
Committee for Dulles  
Committee for Washington National  
Virginians for Dulles

B. Additional Requirements

Existing programs in aviation in Virginia have tended to concentrate on the technical, education, physical and intrastate control aspects of aviation. This left two major areas in which the Commission felt that Virginia has not been represented or able to respond effectively when the situation demanded. First and foremost there was a definite lack of any concerted effort or "seat of initiative" to promote aviation as an economic resource. Secondly, the state had not been able to respond when presented with certain specific problems or opportunities of rather large magnitude. A brief discussion of each of these points is in order.

1 Promotion of Aviation as an Economic Resource

The promotion of aviation as an economic resource is to promote, encourage, and facilitate aviation as a mode of transportation that provides a maximum beneficial effect on the economy of the state.

To accomplish this, efforts are directed toward assuring the highest possible quality of air transportation service at reasonable cost to all communities and citizens of the state. Such efforts search out and identify all factors bearing on the aviation transportation system, and assume as a fundamental responsibility the development of that system in harmony with the other transportation modes as well as the State's environmental, cultural and economic goals.

Among the functions which must be performed to make a meaningful contribution to the promotion of aviation as an economic resource are the following

- a. Utilization of coordinated inter-modal planning for both the short and long term future.
- b. Analysis of the effect on the total system of changes in any of its component parts; eg. improved or reduced capacity or traffic at any of the airports.

- c. Alertness to the advantages or disadvantages of changes in the service or of intermodal problems and recommendation of actions in accord with these changes.
- d. Provision of encouragement and economic planning assistance to aviation entrepreneurs.
- e. Initiation of assertive negotiation and litigation when necessary with the CAB and controlled carriers over routes, rates, and services for the improvement of the system.
- f. Monitoring and analysis of the effects of action by various governmental and private institutions on the well-being and effectiveness of the aviation transportation system and response with appropriate action.

2 Adequate Response to Specific Issues

Although in a sense this might be included under item 1-f, above, it is essential that a mechanism be provided to assure adequate representation of Virginia's interests in connection with a variety of ad-hoc actions which seem to occur regularly. This capability should be present from the point of view of protecting present interests, as well as with relation to future economic development. Hence it merits separate listing. The types of issue which have arisen during the life of the Commission which would fall into this category are listed below to illustrate the present point, and most of them are discussed further in section V.

- a. Strong and active position relative to the proposed change by the FAA in the roles of Dulles International and Washington National Airports.
- b. An active role in developing in concert with Maryland and the District of Columbia an alternative method for the allocation of flights at the three major airports in the Washington region.
- c. Objective assistance in relating the issues involved in the completion of interstate I-66 to the ability of Dulles International Airport to contribute to the economic development of Virginia and the region.
- d. Strong and continuing effort to seek equitable air carrier rates for Virginia--particularly in the case of air freight rates.
- e. Initiative in coordinating aviation transportation development.

A number of these efforts are ones that might have been undertaken by entities which already exist. However, in most cases these are temporary in character, restricted in scope and inadequately funded and staffed. The one agency, the Division of Aeronautics, which does have the proper continuity and breadth of interest has been forced through lack of staff and budget to restrict the scope of its activities. It chose to emphasize general aviation and so has not been intimately involved in the above issues.

C. Comparison with Other States:

It is always of value to study the concepts and activities of others in formulating one's own plans. Thus the work of the Commission includes an analysis of organizations and operations of other states in performing their aeronautic functions. This is a large and difficult task and is not yet completed. The approach has been to obtain general statistical type information on as many states as possible and then select a few for more detailed study. The selection would be made on the basis of either the state being representative of the type of aviation environment faced by Virginia or one whose record in achievement has been particularly noteworthy. States like Texas or California which have high-density intrastate markets would be purposely avoided.

As an initial point for the study, the table on the following pages summarizes some data on 49 states which responded to a survey conducted by Airport Services Management in 1973. One quickly notes the variance in organizational structure and budget size. Some of the larger budgets are not real but result from the state operating one or more airports without crediting revenues. Looking at the overall list the Virginia budget appears about average. Although not shown in the table, the staffs of all but the very largest are known to range from a very few up to about 30, not counting personnel affiliated with state owned airports. Thus Virginia would again be about average.

It is interesting to note from the table the breakdown in organizational structure among states. During Fiscal Year 1972, which was the period reported on,

- 22 states had separate "departments" either reporting directly to the Governor or to its own governing commission
- In 15 states, the aviation function was under the state Department of Transportation
- In 11 states the aviation function was affiliated with some other state agency.

However as of 1974, data provided by the National Association of State Aviation Officials show that a shift toward broadly based DOT organizations is gaining some momentum, although by no means "snowballing". Currently the tally is 23 in a DOT, 18 separate organizations, and 7 affiliated with some other state agency.

It is also interesting to note the large percentage of states (28 out of 41) which provides funds for the support of aviation from general fund revenues.

The states which have been selected for further study in connection with the Commission's contract with the Division of State Planning are:

Florida	North Dakota
Illinois	Ohio
Maryland	Oregon
Minnesota	South Dakota
Missouri	Washington
North Carolina	Wisconsin

STATE AVIATION AGENCIES; SOURCES OF INCOME; EXPENDITURES

STATE	TYPE OF AGENCY	FY 1972 BUDGET*	STATE AIRPORT DEVELOPMENT FUNDS		REGULATION SAFETY/ NAVAIDS EDUCATION	
			AVAILABLE	SPENT		
Alabama	Department; Reports to 7-Man Commission	\$ 450,000	\$ 350,000	\$ 350,000		\$ 5,000
Alaska	Division, Department of Public Works	11,044,500 a, c	27,845,500	27,767,141		
Arizona	Department; Reports to 7-Man Commission	545,758 a, b, c, e	478,000	478,000	30,000	65,000
Arkansas	Division, Department of Planning	173,342 b	120,635	89,285	3,246	3,000
California	Department — Business and Transportation Agency	1,504,938 b	2,549,494	877,919	49,317	96,005
Connecticut	Bureau, DOT	2,333,000 a	7,520,000	6,920,000		72,000
Delaware	Section — Department of Highways & Transportation	1/	—	—	—	—
Florida	Bureau, DOT	3,251,206 b	2,800,000	2,600,000	13,250	31,000
Georgia	Office, DOT	1,060,000 a	976,347	976,347		11,300
Hawaii	Division, DOT	23,630,775 a, e	34,364,606	34,364,606		877,300
Idaho	Department, Reports to 7-Man Board	545,000 a, b, c	564,280	564,280	33,000	
Illinois	Department, Reports to Governor	54,904,300 a, c, e	100,000,000	9,649,113		493,400
Indiana	Commission; Reports to Governor	85,655 a	—	—	—	—
Iowa	Commission; Reports to Governor	459,496 b, c, e	314,900	281,000	2,000	24,742
Kansas	Division — Department of Economic Development	50,000 a	—	—	—	12,000
Kentucky	Department, Reports to Governor	NA	1,635,000	904,000	32,000	13,000
Louisiana	Division, Department of Public Works	1/	578,812	578,812	—	16,216
Maine	Division, DOT	262,605 a	500,000	100,000	10,000	NA
Maryland	Administration, DOT	115,473 a, c, e	151,200	151,200	—	53,000
Mass.	Commission, DOT	559,995 a, c, e	413,459	393,419	49,500	57,500
Michigan	Commission, Department of Commerce	1,200,000 b, c, e	3,588,200	3,571,380	84,700	45,000
Minnesota	Department, Reports to Governor	3,494,000 b, c, d	3,914,000	3,914,000	606,000	40,000
Mississippi	Commission, Reports to Governor	279,389 a, b	116,228	116,228	—	—
Missouri	Section — Div. of Commerce & Development, Commerce Dept.	200,000 a	100,000	100,000	5,000	
Montana	Division — Department of Intergovernmental Relations	946,500 b, e	165,000	165,000	5,000	30,552

\*Principal Sources of Income: a) General Fund; b) Fuel Tax; c) Aircraft Registration Fee; d) Airline Flight Property; e) Other

1/ These aviation agencies are a part of other State departments, with the aviation budget not specifically established.

STATE	TYPE OF AGENCY	FY 1972 BUDGET*	STATE AIRPORT DEVELOPMENT FUNDS		REGULATION SAFETY/ EDUCATION
			AVAILABLE	SPENT	
Nebraska	Department, Reports to 5-Man Commission	\$ 703,495 a, b, e	\$ 815,884	\$ 815,884	— \$ 60,760
Nevada	No aviation agency	NA			
N. H.	Commission, Reports to Governor	139,000 a, b, c	615,073	467,000	4,000 3,000
New Jersey	Division, DOT	198,000 a	—	—	— 112,500
New Mexico	Department, Reports to 5-Man Board	251,719 b, c	79,506	78,168	— 28,260
New York	Section, DOT	1/	8,400,000	4,200,000	Incl. in apt. col.
N. Carolina	Section, DOT	350,000 (a) 4/ 5/	175,000	175,000	Incl. in apt. col. 8,000
N. Dakota	Commission, Reports to Governor	426,889 (a, b) 4/	75,000	75,000	9,000 25,000
Ohio	Division, Department of Commerce	242,000 (a, c) 4/	1,300,000	1,150,000	50,000 —
Oklahoma	Commission, Reports to Governor	341,000 a, b	305,000	249,726	— 36,597
Oregon	Board of Aeronautics, Reports to Governor	630,508 b, c, e	417,740	417,740	7,000 35,000
Penn.	Bureau, DOT	NA	4,410,000	4,322,000	76,100 NA
Rhode Island	Division, DOT	1,852,607 a	2,900,000	2,900,000	170,000 45,000
S. Carolina	Commission, Reports to Governor	453,721 a, c	265,000	265,000	— 3,900
S. Dakota	Commission, Reports to Governor	840,906 a, b	1,791,047	1,709,739	— 2,246
Tennessee	Bureau, DOT	1,141,300 a	940,000	940,000	35,000 140,000
Texas	Commission, Reports to Governor	1,081,842 a, b	500,000	500,000	Incl. in apt. col. 26,435
Utah	Division—Department of Development Services	1,585,000 b	477,000	477,000	118,000 11,500
Vermont	Board of Aeronautics, Reports to Governor	NA	435,633	435,633	NA NA
Virginia	Division, State Corporation Commission	557,029 b, c, e	178,000	173,200	— 12,420
Washington	Commission, Reports to Governor	NA	62,000	62,000	— NA
W. Virginia	Commission, Reports to Governor	750,000 a	750,000	595,200	— —
Wisconsin	Division, DOT	648,200 b, c, d	894,725	894,725	— 25,700
Wyoming	Commission, Reports to Governor	456,634 a	150,000	150,000	25,000 8,750

2 The general fund appropriation is "1-shot" only for FY 72. Funds not normally available from this source.

\*Mississippi general fund appropriation \$750 earmarked for Civil Air Patrol.

4/ Figures shown are biennial, rather than annual budgets.

5/ Amount shown for N. C. budget for airport construction and improvement only. Aviation agency is placed under State department and administrative costs for aviation are not broken down.

Of these twelve, four (Florida, Maryland, North Carolina and Wisconsin) were organized under a DOT in 1972; two (Missouri and Ohio) are associated with departments of commerce; and the remainder operated in 1972 as separate agencies. By 1974, four additional states had switched to a DOT (Illinois, Ohio, Oregon, South Dakota), and one, Missouri, is a part of a DOT which excludes highways.

D. Organization for Aviation in Virginia

After reviewing the findings and recommendations of the consultant to the Commission, deliberating on other approaches suggested by members of the Commission, and holding hearings at which the Secretary for Administration, Commissioners of the State Corporation Commission, and others expressed their views, the Sub-Committee on Organization of this Commission voted to continue the aeronautical function in the State Corporation Commission.

They also voted to merge the membership of the Virginia Advisory Committee for Aeronautics and the Board of the Virginia Airports Authority and establish them, together with the three Commissioners of the SCC as an expanded advisory committee to continue under the name of the Virginia Advisory Committee on Aviation. As terms expired, it was recommended that members of this merged group be selected to represent specific aviation interests and sectors of the general public.

Some members of this Commission have expressed strong opposition to these recommendations as received from the Sub-Committee on Organization. Thus a vote on the matter has been postponed until more information can be obtained particularly as a result of examining the successes and failures of various structures in other states.

At the Virginia Aviation Conference in August 1974 the Attorney-General of Virginia outlined some of the problems relating to aviation and its relation to the economic development of Virginia as seen from his vantage point. He also made several suggestions of an organizational nature which he felt would result in great benefits to the state. This Commission, together with many of the other organizations affiliated with aviation in Virginia, most of whom had several members present at the conference, expressed interest in the ideas put forth by Mr. Miller. Hence the Commission decided that it would be inappropriate for them to make any final recommendations concerning the organizational structure of aviation in Virginia without giving further consideration to the Attorney-General's proposal.

### III. Financing of Aviation in Virginia

#### A. Revenues

##### 1. Aviation Fuel Tax

Prior to July 1974 the laws regarding the payment of a tax on aviation fuels purchased in Virginia were very cumbersome and confusing to understand or administer. The chief difficulty rose from the fact that among the major consumers of aviation fuel in Virginia were the airlines serving the state. Not only were the tax rates scaled with cumulative quantity purchased, but the user was also entitled, upon application, to a rebate from the taxes collected on fuel purchased in Virginia, but used outside the state. Furthermore since the tax was collected at maximum rate at time of sale, refunds were also due large volume users (again principally the airlines) on a 5-step graduated scale for fuel consumed within Virginia.

Large time lags began to develop between the time of purchase and the time of filing by the consumer for the rebates due him. In the case of small private consumers, many were unable to cope with the administration of the law and, hence, never filed for their legitimate rebates. This situation, not only imposed unfair conditions on small consumers, but also created a rather serious cash flow problem for the State. The State was, in effect, placing cash in the general fund which others could reclaim upon demand. The amount of this liability was difficult to estimate, since the State had no idea how the fuel was used until a rebate claim was made. It was also impossible to tell how much rebate was being forfeited by consumers.

Over a period of time this led to the following situation as reported to the Commission by the State Auditor of Public Accounts on September 10, 1973. "At June 30, 1973, the balance to the credit of the Revenue Reserve Fund" (established to cover the tax rebate liability) "amounted to \$3,686,450.94 ... This total balance compares with the contingent liability for tax refunds at June 30, 1973 of \$4,826,266." Thus at best estimate the State faced a deficiency of almost \$1.2 million.

Recognizing the confusion existing in this present tax arrangement, which, incidentally, is one of the principal revenue generators for the support of aviation activities in Virginia, the Commission recommended that the existing tax should be modified in the following respects,

- a. the tax should be simplified by eliminating all refunds
- b. to compensate for eliminating refunds, the tax should be 1/4¢ per gallon on all fuel used above 100,000 gallons instead of the existing rates of 2¢ through 1/2¢ up to 400,000 gallons
- c. the fuel tax rates and collection methods should be the same for both jet and piston engine fuels



The Commission is indebted to the Division of Motor Vehicles for their constructive and imaginative assistance in developing a completely new statutory base for the proposed tax program. Valuable and complete cooperation from the Air Transport Association and the Virginia Aviation Trades Association was also obtained. As a result Senate Bill No. 402, incorporating the new fuel tax program in the statutes was introduced by the Chairman of the Commission, Senator Paul W. Manns. Senators Leslie D. Campbell Jr. and Howard P. Anderson of the Commission were co-sponsors. Senate Bill 402 was enacted by the 1974 General Assembly.

2. Aviation Sales Tax

As the Commission began the study of aviation taxes, sales taxes on aviation equipment sold in Virginia were collected similar to sales taxes on any other item. As it developed several mechanisms arose for avoiding all or part of the tax in many instances. The net result was that only about \$100,000 per year was being realized from sales tax revenue whereas, a much larger potential existed.

Consequently the Commission recommended a 2% sales and use tax on all non-carrier aircraft which are sold in this state. The provisions and administration of this proposal were similar to the so-called automobile titling tax. This recommendation was introduced as Senate Bill 263 by Senator Leslie D. Campbell, Jr., Chairman of the Commission's Financial Requirements Sub-Committee, and enacted by the 1974 General Assembly.

3. Summary

For the fiscal year beginning 1 July 1974, the estimated revenues from all tax sources generated by aviation can be summarized as follows

Airlines

Fuel tax (domestic)	\$421,000	
Fuel tax (foreign)	<u>22,000</u>	
Total Airlines		\$443,000

General Aviation

Jet Fuel	\$360,000	
Gasoline	<u>224,000</u>	
Total Fuel		\$584,000
Sales Tax		250,000
Fees & Permits		<u>30,000</u>
Total General Aviation		\$864,000
Total All Revenues		<u>\$1,307,000</u>

B. Appropriations

1. Special Appropriation

Because of the change of the aviation fuel tax laws as discussed in Section III-A, above, the potential deficit in the Revenue Reserve Fund to cover the State's liability for rebates under the previous laws was estimated to be \$1,885,000 on 1 July 1974 when the new tax laws would go into effect. In order to meet this deficit a \$1.9 million item was included in the appropriation bill enacted by the 1974 General Assembly. This will permit starting the new fiscal arrangement with a clean slate.

2. General Financial Support of Aviation

In addition to the special appropriation referred to above, the Appropriation Act passed by the 1974 General Assembly included the following items to be paid from the General Fund in support of aviation.

\$100,000--State aid for Tangier Island Airport (Item 808.1)  
\$893,525--Aid to local airports, first year of the  
biennium (Item 808.2)  
\$725,529--Aid to local airports, second year of the  
biennium (Item 808.3)

Also the State had obligations from previous commitments to pay grants totaling \$589,000 to communities not eligible for federal grants. These grants were to come from the special (aviation) fund.

C. Federal Matching Funds

The Airport Development Aid Program (ADAP) administered by the FAA was enacted in 1970 and it provides for more than \$15 billion dollars in Federal grants and local matching funds to be spent during this decade to expand the capacity of America's air transportation system. Each State is allocated a portion of the federal funds for a given year, all or any part of which is available to the State provided it is matched on a 1/4 State--3/4 Federal basis for construction programs and on a 1/3 State--2/3 federal basis for planning monies (Until 1973 the construction monies were on a 50-50 basis).

An indication of the implications of this program for Virginia may be obtained from the following summary of the ADAP construction funds awarded to Virginia. They are divided into two categories.

1. Funds for air carrier airports

As a result of proposals submitted on behalf of such airports in Virginia a total of \$13,974,315 of Federal share for projects were approved for funding through FY 1974. The total Virginia apportionment for this period from regular ADAP formula funds was \$8,756,533. The ADAP program also has additional funding available to be allocated at the discretion of FAA independent of the

apportionment formula. Fortunately for Virginia, ADAP approved \$5,287,782 from these discretionary funds and so the entire program was funded. The total value of the projects including the local matching funds was, of course, 4/3 of \$13,974,315. Most of the matching money came from local sources.

2. Funds for general aviation airports

In this case the amount of projects which qualified amounted to \$1,272,201. However the Virginia formula allotment was \$1,570,652. Thus Virginia did not use all the formula funding available to it. This is not because of a lack of needy projects. Rather it was due to the inability to obtain matching funds for this type of airport. The situation is even worse than it appears to be since discretionary funding was also available for the general aviation airports and it is quite likely that Virginia localities would have attracted a sum at least twice as large as they received if they had been able to provide 25% in matching money.

Since a good general aviation airport system has been shown to be of great economic benefit to entire states, Virginia and its communities should give the matter serious consideration in the future.

Virginia has also participated actively in the planning grant program, both at the state and local level.

IV. Virginia Air Transportation System Study

A. Background

In April of 1971 the Commonwealth of Virginia submitted an application to the FAA for support for a State Airport System Planning Grant under the Airport Development Aid Program (ADAP). The study was to be done over a 21 month period involving approximately eight man years of work by a consulting firm (principally Howard, Needles, Tamman and Bergendoff), and 4½ man years of effort by State personnel. The budget was established at about \$450,000 with the State's share under the terms of ADAP being 1/3 or about \$150,000. Of this amount \$30,000 was proposed as a cash contribution with the remainder to be staff effort, overhead, etc.

At the time of submission of this proposal the Division of Aeronautics did not have the staff or resources to assume responsibility for the management of this study and so it was directed by the Transportation and Public Safety Section of the Division of State Planning and Community Affairs. The application was approved and the study began in November of 1972. In May of 1974 the responsibility for the management of the study was transferred to the Division of Aeronautics.

B. Scope of Effort

1. Definition

The FAA definition of a State Airport System Plan is: "The state airport system plan is a representation of the aviation facilities needed to meet the immediate and future air transportation needs of the state and achieve the overall goals of the state. It recommends the general location and characteristics of new airports and the nature of expansion for existing ones. It shows the time and estimated cost of development and relates airport system planning to the economic development and environmental goals of the state and is accomplished in a comprehensive planning framework. It incorporates regional/metropolitan airport system planning and provides the basis for definitive and detailed individual airport planning"

2. Objectives

Within the context of the above definition the following objectives were established for the proposed study.

- a. Determination of the Goals and Objectives of the Virginia Statewide Air Transportation System and development of criteria for measuring achievement.
- b. Determination of the reasonable prospects for civil air traffic and flight activity, both air carrier and general aviation, inter- and intra-state, for the years 1976, 1980, and 1990.
- c. Estimation of the airspace and ground facilities required to accommodate this prospective activity.
- d. Evaluation of the most feasible arrangement of airports in a statewide system including the extent to which existing facilities can be expanded or improved, as opposed to construction of new facilities, to provide for the activity.
- e. Identification of the need to expand or change Virginia's portion of the Federal Airways System in order to provide airway capacity to serve the prospective activity.
- f. Determination of the time phasing for planning, financing, developing, and administering the total system encompassing aviation activities in the years 1976, 1980, and 1990.
- g. Delineation of system management requirements to include administrative, control, legislative and financial aspects.
- h. Accomplishment of all the tasks with realism and proper regard for the economic, social, and environmental well being of the people of Virginia.

3. Phasing of Study

The study is divided into two parts, a preliminary part, and a final part, the former containing 5 phases and the latter 3 as follows.

a. Part I--Preliminary Study

In the initial study the State's goals and objectives will be translated into a viable concept of an Air Transportation System within Virginia. Potential variations within the selected concept will be identified to aid in arriving at the optimum system.

(1) Phase 1.0 Specific Goals and Objectives

Determine goals and objectives of Virginia Air Transportation System as basis for study, planning, and implementation.

(2) Phase 2.0 Key Data Acquisition

Acquire and collect key data, identified in phase 1.0 and test for validity and comparability.

(3) Phase 3.0 Analysis and Forecasts

Critically analyze data from phase 2.0 to elicit trends and forecast demands and aviation activities in short-, mid-, and long-range.

(4) Phase 4.0 Requirements Projection

Project gross requirements of air transportation system time-phase to meet activities forecast in phase 3.0 and provide legislation action program for 1974.

(5) Phase 5.0 Preliminary System Concepts

Finalize goals and objectives specified in phase 1.0 and frame requirements projected in phase 4.0 into most reasonable concept of the system.

b. Part II--Final Study

In the second part of the study the concept developed in Part I will be optimized by making provision for the cogent input of all concerned groups. The Air Transportation System plan will be finalized and implementation programs prescribed to assure the success of the Plan.

(1) Phase 6.0 Analysis of Selected Systems Concepts

Amplify cost, and analyze system concept selected in phase 5.0, and compare variations in the concept.

(2) Phase 7.0 Evaluation and Optimization of the System

Evaluate system defined in phase 6.0 optimizing variations to produce best plan.

(3) Phase 8.0 Implementation Programs

Prepare action programs required to implement the system plan finalized in Phase 7.0 and complete study report.

4. Management of Study

The planning and implementation of a statewide air transportation system involves technical and political decisions of considerable importance to the public in general, and particularly to specific public and private agencies directly interested in and responsible for air transportation, and its various impacts. Thus it is important to properly review and criticize all these segments. The study addressed this problem ably through the formation of a top level policy committee to make decisions on the major issues raised which required determinations to be made during the study, and a series of advisory committees, representing different segments of the aviation community, local government, industry and state government.

The committee structure and general composition was as follows.

a. Policy Committee

Secretary of Transportation and Public Safety, Chairman  
One member from each of the advisory committees  
A representative from each of the following:  
State Corporation Commission  
Virginia Airports Authority  
Virginia Advisory Committee for Aviation  
Division of State Planning and Community Affairs  
Virginia Senate  
Virginia House of Delegates

(Note: both members from the General Assembly happen to be members of the Commission)

b. Government Advisory Committee

Consists of one representative from each of the following:  
All of the 22 planning districts in the state  
Virginia Municipal League  
Virginia Association of Counties  
Virginia State Chamber of Commerce  
Governor's Council on the Environment  
Department of Highways and Transportation  
Maryland Department of Transportation  
Metropolitan Washington Council of Governments  
Division of Industrial Development  
Office of Emergency Services  
Federal Aviation Administration

c. Industrial Advisory Committee

3 representatives from certificated airlines serving Virginia  
2 representatives from commuter airlines in Virginia  
2 representatives from general aviation  
1 representing airport operators  
1 representing cargo interests  
1 from FAA

C. Current Status

The Virginia Air Transportation Systems Study is now entering its final phase, i.e. Phase 8 implementation, and is scheduled for completion in early spring of 1975. The Commission has followed this study with interest. As soon as it is completed and the final report available this will be analyzed by the Commission in great detail. It is intended that it will be used to the fullest extent in completing the more general tasks of the Commission.

In this regard, it should be emphasized that the role of the Commission in its assignment to monitor the Virginia Air Transportation Systems Study was not intended to be one of critic. Rather the Study covers certain discrete aspects of aviation in Virginia and good communications between the two groups are an essential requirement if the Commission is to be able to use the results of the Study to complement its own work and present an accurate description of the accomplishments, status and needs of the total aviation scene in Virginia.

V. Special Issues

This section will present a summary of the activities of the Commission pertaining to several important issues involved with aviation in Virginia which arose during its tenure, and to which it devoted a considerable amount of time and effort.

A. FAA Proposal to Limit Traffic at Washington National Airport (DCA)

On January 29, 1973 the Federal Aviation Administration (FAA) issued a notice of proposed change in the policy regarding the role of Washington National Airport. The objectives of this policy change were

1. To rationalize the role and use of the airports from an overall transportation viewpoint;
2. To achieve fuller utilization of existing and planned capacity at the airports;
3. To reduce unnecessary constraints on the use of equipment at the airports;
4. To ensure that the growth, use, and role of the airports are compatible with the changing demands and expectations of the community, especially with respect to environmental quality.

The major features of the proposed plan would

1. Limit non-stop air carrier service to DCA to a radius of 650 miles, with one-stop service limited to an origin-destination radius of 1,000 miles
2. Modernize the facilities at DCA under a no-expansion policy
3. New type aircraft at DCA will only be permitted if the aircraft is quieter and has less daily emission levels, both evaluated

on a passenger seat basis, than the aircraft being replaced. (Note that this would allow the use of the DC-10 and L-1011 wide bodied aircraft.)

4. The limit of 60 flights per hour, including 40 air carrier operations, as prescribed in section 93.123 of the Federal Aviation Regulations will continue. The 40 limit may be reduced if wide bodies are used in order to avoid exceeding the passenger capacity of the terminal.
5. Jet service will be prohibited from 10 p.m. to 7 a.m.
6. There will be no international operations.

The importance of this matter to Virginia, and especially to Dulles International Airport (IAD) was obvious and the Commission recognized the need to marshal strong support for the ruling. It was immediately brought to the attention of the General Assembly, then in session, and the efforts of the Commission to support the proposed FAA policy was endorsed by the enactment of Senate Joint Resolution 145 on February 24, 1974. The Resolution was transmitted to the FAA by Governor Holton with his own personal endorsement.

The Commission devoted much intense effort to this issue, since FAA had set a time limit of March 30, 1973 on the period during which it would consider comments from interested parties. Much data were accumulated and many studies and analyses made in close coordination with other Commissions, State agencies and officials, industrial representatives, and both public and private groups from the area most affected, Northern Virginia.

As a result of this work the Commission's position in general support of the proposed policy, but making various suggestions and comments concerning possible modifications, interpretations or implications, thereof, was transmitted to the FAA in the form of a letter from the Chairman, Senator Manns, on March 30, 1973. The letter stressed items considered important to the Commonwealth such as

1. The need to make proper allowance for expanded commuter service to short-haul, low or medium density markets in arranging the mix at DCA
2. The dangers involved in allowing the airlines to have complete control over the slots allotted to carrier aircrafts. It was felt that such a policy would tend toward longer distance flights, thus restricting real short-haul service
3. The need to take positive steps to assign flights diverted from DCA to land at IAD.
4. The value to be derived from making certain that IAD is designated as a mixed-haul airport and not allowed to develop as strictly a long-haul terminal



5. The importance of the FAA adhering to their time schedule and taking action promptly on 1 June 1973 as originally proposed

As expected the proposal generated opposition from many individuals and organizations, and the new policy has never been implemented. It seems obvious that Virginia should continue to pursue its interest in securing adoption of policies which would reduce congestion at Washington National Airport and improve utilization of Dulles. However, this type of activity is one which has not been pursued in the past, and would probably have not been pursued in the present instance had it not been for the existence and initiative of the Commission.

B. Allocation of Flights at the Three Washington Area Airports.

A valuable result of the analyses of the proposed revised role of the two airports was the determination that the FAA did not have the legal capability of controlling flights at Washington National except by imposing regulations based on flight safety or environmental considerations. The best interest of the Commonwealth would obviously require an entirely different approach. Such an approach must involve in some manner the active participation or cooperation of the three jurisdictions involved: Virginia, Maryland, and the District of Columbia.

A great deal of effort was spent in working with our neighbors to attempt to develop an approach to the problem. Although many mutual understandings have been developed, and considerable progress made, much yet remains to be done. This is certainly a responsibility for a permanent operational organization charged with the obligation of promoting the case of aviation in the economic development of the region. A temporary commission such as this can only bring the issue into proper focus.

Incidentally one of the first steps toward achieving this goal is being taken by the development of a National Capital Region Air Facilities Plan funded through the ADAP program and managed by the Metropolitan Washington Council of Governments. This study which is 1/2 done is being coordinated with Virginia activities through the Division of Planning and Community Affairs.

C. The Role of Route I-66 in Promoting the Use of Dulles International Airport

In early December of 1973 upon completion of Environmental Impact Statement on Route I-66 by the consultants to the Department of Highways a hearing was scheduled at which organizations could respond to the statement. In the opinion of this Commission, increased utilization of Dulles is vital to the development of the Virginia aviation transportation system which in turn has a major contribution to make to the environmental and economic well-being of the Commonwealth. Thus the Commission deemed it to be incumbent upon it to take a stand on this matter. A thorough analysis of the impact statement and of the key role of the completion of I66 from I-495 to the Roosevelt bridge was made and the position of the Commission was based upon these findings.

It was clear that the problem was one which affected the entire metropolitan area and indeed the entire Commonwealth, and decisions should not be made in a localized context to accommodate the interests of a very small proportion of the citizens who had interests very close to the proposed route. Thus the Commission decided to go on record as being in support of the construction of I-66 to the Potomac, of providing a Dulles Access Connector and of also eventually including rapid transit in the median strip to Dulles. The Commission was silent on the matter of the construction of the Three-Sisters Bridge.

The position of the Commission, including detailed data and arguments in support of this position, was made known in three separate communications.

1. A statement by the Honorable Adelard L. Brault, State Senator and member of the Commission, made at a hearing held December 17 and 18, 1973 by the Virginia Department of Highways as Fairfax, Virginia.
2. Senate Joint Resolution 11 enacted by the General Assembly of Virginia, on March 9, 1974 and order transmitted by the Clerk of the Senate to the Secretary of transportation. of the United States.
3. A letter of September 30, 1974 to the Honorable Claude S. Brinegar, U. S. Secretary of Transportation by the Honorable Paul W. Manns, Chairman, on behalf of the Commission.

D. Optimizing Air Carrier Rates

The Commission considers the matter of air freight rate parity among all east coast airports in the North Atlantic market to be of prime significance to the economic development of Virginia in several ways. As indicated in Section I, although various efforts have been made to petition the CAB for an improved rate structure, they have been to no avail. Legal maneuvering continues. In late summer of 1974 Attorney-General Miller filed a petition with the U. S. Supreme Court in an attempt to force equalization of rates. Previously, a suit had been filed before a CAB law judge by the Fairfax County Economic Development Authority and the State to require CAB to equalize rates. While the law judge ruled in favor of the petitioners, the CAB held that cargo rates should be determined by miles flown. This leads to the unequal rates since Washington is some 200 miles further than NYC to ports of northern Europe. The State appealed to the Fourth Circuit Court of Appeals, but this Court upheld the CAB decision.

The Commission feels strongly that if the present litigation fails, every effort should be made to keep this issue before the public and the Federal agencies and officials. The following data from 1971 illustrate the problem.

<u>Airport</u>	<u>Air Freight in Annual Tons</u>
Dulles	9,056
Norfolk	2,377
Atlanta	89,887
Boston	62,248
Kennedy	268,915

There is no doubt that Virginia suffers because of this matter. A large amount of transatlantic freight originating in the area which would normally be most conveniently served by Dulles is trucked to New York for shipment. With more equitable rates, Virginia has the potential to become a major air freight market.

The advantages are plain. As Dulles developed as a freight gateway, it would become more desirable as a mixed-haul airport, thus more satisfactory as a gateway passenger hub for air service to the scattered small cities of Virginia. This development, in turn, would be of great value to the internal commerce of Virginia; manufacturers could ship and receive products and components to and from transoceanic and transcontinental markets more quickly and cheaply. The competitive advantage of areas closer to Kennedy or Atlanta would be reduced or equalized. The advantages of industrial plant location throughout the state would be enhanced.

Although the above comments have used Dulles for the sake of illustration they could apply equally well to several other airports in Virginia.

E. Delegation of FAA Authority to the States

For some time now there has been serious discussion at the Federal level concerning both the feasibility and advisability of delegating to the various states the responsibility for performing some of the functions now conducted by the FAA. Although FAA does not have any detailed operational proposals for serious consideration by the states at this time they did place some of their general thoughts in public view at an "industry consultative planning conference" held in October of 1974. Among the functions mentioned for possible state takeover were

1. Turning over all ADAP planning including allocation of funds within the state,
2. State would assume responsibility for all general aviation ADAP programs, construction and planning,
3. Audit, inspection and data collection related to airports,
4. Aircraft registration,
5. General aviation district office functions,
6. Licensing of airmen, airports, and engineers.

There are many problems related to such delegations which still require serious thought and planning on the part of the states. For example,

1. The State should have a position as to what responsibilities it would consider advantageous to assume.
2. The State should understand the costs which might be involved, and the potential for revenue and grants to accrue to the State.
3. The issue of the administrative problems relating to such things as definition of responsibility in interstate traffic, ability to meet codes of uniform standards.

At the present time very little is being done in Virginia about this problem. It is being closely watched by the National Association of State Aviation Officials, and perhaps this will suffice for the time being. In any event, Virginia must be prepared to make its inputs to the Federal decision process.

F. Revision of the Washington National Airport Compact.

The history of events leading to the present situation regarding the compact between the Commonwealth of Virginia and the Federal government providing for the ownership and operation by the Federal government of what is now Washington National Airport, literally goes back to the very beginning of our nation. For present purposes suffice it to say that at about the time arrangements were being made for Dulles Airport (also owned and operated under a similar general concept) Virginia became aware that there were basic differences in the two arrangements regarding limitations in Virginia's ability to impose taxes at Washington National.

In general Federal policy regarding state and local taxes at Federal reservations is governed by a statute known as the Buck Act. This Act allows the imposition of such taxes on civilian businesses and residents on such reservations and installations. It is applied uniformly by the Federal government to all Federal installations except one, Washington National Airport. The position here is that the special compact ratified some 25 years ago overrules this act. In that compact the State gained very little except a theoretical extension of its jurisdiction and sovereignty over a piece of land which had previously been a "no man's land". The only privilege the State retained was the right to apply sales taxes to the fuel on over-the-road-vehicles operated on the airports, and control over the manufacture and sale of alcoholic beverages.

In the mid 1960's the General Assembly, through the action of a one-session Commission, the Virginia Commission on Aviation, created by HJR 115 of the 1966 Session, determined to seek changes in the compact. Through the auspices of Senators Byrd and Spong and Congressman Joel Broyhill, identical bills were introduced in both Houses of the 90th Congress giving Virginia the right to levy additional taxes at National. Opposition developed on many fronts

and for a variety of reasons, and the matter died. However, in the 91st Congress, Representative Broyhill was able to include an amendment in the Airport and Airway Development Act permitting the application of some additional Virginia taxes at Washington National. This became effective July 1, 1971.

Thus the present situation is that the following taxes are levied at Dulles but not at Washington National.

1. Local personal property taxes
2. State income taxes
3. Local real estate taxes
4. State aviation fuel taxes.

From the viewpoint of the State the major issue is the fuel tax. The estimated revenue from this source at Washington National would amount to a large fraction of that now being collected statewide.

The Commission has studied this problem in some detail and feels that if properly presented the case can be reopened with a good chance of achieving major advances in taxation privileges at Washington National Airport. Accordingly it recommends that such action be pursued. However, as the situation now exists in Virginia it is not clear that any organization concerned with aviation has the manpower and resources necessary to develop the background and maintain the vital communications with concerned parties to make the venture successful.

#### V. Current Work in Progress

This section presents an outline of the tasks and subtasks currently being investigated on behalf of the Commission by the consultants and staff in fulfillment of the statement of work contained in the contract between the Commission and the U. S. Department of Housing and Urban Development through the Division of State Planning and Community Affairs. Considerable work has already been done on almost all of the subtasks, and, as is evident from the earlier sections of this report, some have already been completed. When the work is finished on 1 July 1975, the Commission will have more than met the assignments given to it by the General Assembly.

##### A. Organization and Management

- A.1 Analysis of the aviation transportation domain
  - A.1.1 Analyses of aeronautical activities performed at the Federal, State, regional, and local level
  - A.1.2 Determination of desirability of addition or elimination of activities
  - A.1.3 Review of factors important in determining the most efficient location for the aeronautical function

- A.1.4 Determination of the administrative and political feasibility of various arrangements for the location of the aeronautical function
- A.2 Analysis of aeronautical organizations of selected other states
  - A.2.1 Analyze the structures in detail
  - A.2.2 Evaluate the benefit to the state
  - A.2.3 Determine the relative advantages of autonomous aeronautical organizations versus coordinated efforts such as a DOT
- A.3 Analysis of benefit of intermodal transportation planning
- A.4 Recommendation of course of action for future organization and administration of the State aviation function
- B. Planning and Coordination
  - B.1 Study of the relationships of the elements of control to the physical and operational features of airports and airport surroundings
    - B.1.1 Review, revise and amplify existing practices, regulations, and statutes
    - B.1.2 Determine optimum degree of control which is feasible from both the political and legal viewpoints, and methods for applying them
    - B.1.3 Consider various inducements or restrictions to encourage achievement of objectives of controls
  - B.2 Examination of interstate regional coordination in air transportation planning
    - B.2.1 Review existing plans with a view to revealing conflicting or confusing elements in respect to Northern Virginia Airports
    - B.2.2 Develop strategy to coordinate efforts of Virginia, D. C., Maryland and related agencies, political subdivisions, or other interested parties in developing a means for controlling flight assignments to the three Washington area air carrier airports so that future master planning can be accomplished with greater stability
  - B.3 Analysis of the relationship of taxation to the Virginia Aviation System
    - B.3.1 Determine current State and local taxation policies, rates, and practices at Virginia airports
    - B.3.2 Establish estimated present and future yields
    - B.3.3 Determine effects on the development and growth of the airports

- B.4 Determination of effect of location on airport utilization of the National Capital Airports
  - B.4.1 Analyze the effect of distance from the DC-CSD on the utilization of IAD and DCA
  - B.4.2 Evaluate the effect of completing I-66 and the Dulles Connecting Highway on the roles of the two airports
  - B.4.3 Evaluate the resulting environmental effects of B.4.2

Evaluation of Programs

- C.1 Preparation of a final description of current programs
- C.2 Evaluation of current programs
  - C.2.1 Estimate cost-benefits to the aviation community
  - C.2.2 Estimate benefits to State
  - C.2.3 Compare scope and quality with similar programs in other states
- C.3 Determination of FAA activities which are potentially transferable to the states
  - C.3.1 Prepare an inventory of programs, responsibilities, and activities of FAA which are considered transferable to the states
  - C.3.2 Indicate which of C.3.1 appear to be desirable for transfer to Virginia
  - C.3.3 Identify the funding and administrative problems which would have to be resolved to effect such a transfer
- C.4 Development of an approach whereby the State might assume full responsibility for promoting aviation transportation as an economic resource
  - C.4.1 Review current and past litigation in respect to improving freight and passenger rates via CAB proceedings
  - C.4.2 Review current and past actions concerned with issues of "adequacy of service" for Virginia communities via CAB proceedings
  - C.4.3 Solicit inputs on the above from a broad cross section of agencies, groups, etc. concerned with economic development in Virginia
  - C.4.4 Analyze the results of the three preceding tasks to determine the feasibility and desirability of the State assuming an active, continuing role with regard to matters of rate structure and adequacy of service cases
  - C.4.5 If the analysis of C.4.4 so indicates, prepare plans for implementation
  - C.4.6 Evaluate the desirability of establishing a State function of air trade development similar to the Virginia Ports Authority

C.4.7 If the analysis of C.4.6 so indicates, prepare a design of a suitable activity

D. Revenues and Financing

- D.1 Study of the present aviation tax structure
  - D.1.1 Analyze present aviation taxes imposed by Virginia
  - D.1.2 Consider the development of a special tax similar to the so called automobile titling tax
- D.2 Determination of future funding requirements for aviation in Virginia
  - D.2.1 Assemble funding requirements of physical facility program
  - D.2.2 Assemble budgets of all aviation programs, current or proposed
- D.3 Examination of the national picture in aviation taxation
  - D.3.1 Review methods used throughout the country for taxing aviation system users
  - D.3.2 Analyze the implications of using uniform tax methods as proposed by national groups
  - D.3.3 Explore, using U. S. DOT studies, the relative benefits and tax burdens applying to different segments of the aviation industry
- D.4 Assessment of the use of Commonwealth funds in aviation programs
  - D.4.1 Identify those activities that are primarily for the benefit of the Commonwealth, and therefore, appropriately accommodated from the general fund, and estimate the funding required
  - D.4.2 Identify those activities which are primarily for the benefit of the user and thus appropriate for funding through taxation, and estimate the funding required
  - D.4.3 Specify present or future tax programs to meet these needs
- D.5 Determination of criteria, guide lines, methods and policies under which the State funds will be allocated to airport sponsors