



MEMORANDUM

TO: Government Affairs Steering Group
Government Affairs Committee

FROM: ACI-NA Government Affairs

DATE: April 3, 2008

SUBJECT: 1) ACI-NA Files Comments on Airport Rates and Charges
2) ACI-NA Meets with DHS Secretary Chertoff
3) House Transportation Committee Holds Hearing on FAA
Safety Oversight of Airlines

GA MEMO NO: 2008-23

1) ACI-NA Files Comments on DOT's NPRM Regarding Airport Rates & Charges

This afternoon, ACI-NA filed comments on behalf of its U.S. member airports regarding the Department of Transportation's (DOT) Notice of Proposed Rulemaking on its policy regarding airport rates and charges. Copy of the comments can be found at on ACI-NA's website at: http://www.aci-na.org/static/entransit/DOT_comments_4-31.pdf

ACI-NA's comments support DOT's proposal, which recognizes the important role airports play in addressing congestion and passenger delays. While airports have strongly supported long term solutions such as increasing capacity and modernizing the air traffic control system, passengers need more timely solutions. ACI-NA states that individual airports should be provided the ability to impose congestion fees, if appropriate for their individual circumstances, to provide economic incentives for airlines to more efficiently use congested airfields use larger aircraft and/or shift service to less congested secondary airports within the region.

ACI-NA's comments also emphasized that the air service needs of small communities must be protected. ACI-NA noted that DOT should permit congested airports to build reasonable exemptions to their rates and charges to preserve small community access at

the same time they create incentives for airlines to use congested airport facilities more efficiently.

ACI-NA further suggested that DOT allow congested airports to include the costs of planning and environmental review, as well as financing costs, in calculating landing fees that include airfield facilities under construction. Such pricing will provide additional financial incentives for airlines to more efficiently utilize limited airport capacity.

Moreover, ACI-NA agreed with DOT, as states in the 1996 Rates and Charges Policy, that “airport proprietors must retain the ability to respond to location conditions with flexibility and innovation” and encouraged the government to specify broad, functional criteria in determining the FAA designation of secondary airports.

More than 30 companies/organizations have filed or are expected to file comments on the proposal as shown below:

- Air France
- Air Tahiti Nui
- Air Transport Association (ATA)
- Air Transport Association of Canada (ATAC)
- All Nippon Airways
- American Association of Airport Executives (AAAE)
- Boeing
- British Embassy
- Cargo Airline Association (CAA)
- Cathay Pacific Airways
- Dane County Airport (Madison, Wisconsin)
- Deutsche Lufthansa
- Halifax Stanfield International Airport
- International Air Transport Association (IATA)
- KLM Royal Dutch Airlines
- Korean Air
- Los Angeles World Airports
- Mercatus Center-George Mason University
- Midwest Airlines
- National Air Transportation Association (NATA)
- Newport News-Williamsburg
- Ottawa Macdonald-Cartier Airport Authority
- Philippine Airlines
- Pittsburgh International Airport
- Regional Airport Planning Committee—San Francisco/Oakland Bay Area
- Republic Airways
- Regional Airline Association (RAA)
- San Francisco International Airport
- San Diego County Regional Airport Authority

- Tri-Cities Regional Airport
- The Reason Foundation
- Washington Airports Task Force

Please contact ACI-NA's Debby McElroy (dmcelroy@aci-na.org) with questions on ACI-NA comments or those filed by other companies/organizations.

2) ACI-NA Meets with DHS Secretary Chertoff Regarding the Registered Traveler Program

At the invitation of DHS Secretary Michael Chertoff, this past Monday, March 31st, ACI-NA's Sr. Vice President for Security and Facilitation, Charles Chambers met with the Secretary; TSA Administrator Kip Hawley; a number of other high-level DHS and TSA officials, AAAE, ATA, and Registered Traveler (RT) service providers Clear, FLO, and Vigilant to discuss the security benefits of the RT Program.

Secretary Chertoff asked for comments from those present; and engaged in a discussion and dialogue with the assembled group regarding this matter.

ACI-NA outlined for the Secretary its position regarding RT:

- That implementation of RT is an airport-by-airport management decision driven by the specific circumstances at an airport;
- That RT service at an airport should not in any way diminish the service quality and efficiency of the regular screening checkpoints; and
- That ACI-NA serves as a forum for airports, RT providers and other interested stakeholders to share information regarding the RT program.

From the discussions, Secretary Chertoff said that, in his view, the security value of RT was identification (ID) validation of the traveling participants. He found that such validation as a condition to participate in the RT program had value, both now and as our nation's security regime evolves.

Concerning the RT Program card, Secretary Chertoff, Administrator Hawley and the RT vendors discussed moving forward with an RT card that would effectively be "REAL ID" compliant and help further enhance RT's security value. Specifically, to have an RT card that would include the card-holders picture, name, date of birth, gender, and expiration date. There was general agreement on this, with the exception of the expiration date, which remains for further discussion between the TSA and vendors. Also discussed was ending the current TSA requirement that RT members show two IDs (their RT card and another form of ID such as a driver's license) when entering the RT line.

Commenting on technology, Secretary Chertoff recognized the opportunity provided by the RT Program to develop RT screening technologies that would first be applied to the RT Program and eventually to the overall passenger screening system.

Secretary Chertoff also limited the discussion at this meeting to the US domestic RT Program, and did not discuss the matter of an international RT program that would be under the purview of U.S. Customs and Border Protection.

If you have any questions or comments, please contact Charles Chambers (cchambers@aci-na.org), Senior Vice President, Security and Facilitation, at (202) 861-8081 or Lydia T. Kellogg (lkellogg@aci-na.org), Senior Manager, Public Safety and Security, at (202) 861-8082.

3) House Transportation Committee Hearing on FAA's Safety Oversight of Airlines

Today, the House Transportation and Infrastructure Committee held a hearing on "*Critical Lapses in FAA's Safety Oversight of Airlines: Abuses of Regulatory Partnership Programs*"

Due to the extensive list of 20 witnesses, as of 7:30 p.m. this evening, the hearing remains on-going. While airports have not been the subject of today's hearing, ACI-NA Government Affairs staff wants to ensure we provide an accurate summary once the hearing is complete.

Therefore, ACI-NA staff will provide a hearing summary on Friday, April 3.

Please contact ACI-NA's Scott Weaver (sweaver@aci-na.org) or Paul Eubanks (peubanks@aci-na.org) with any additional questions or concerns.