Statement of
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Before the
Committee on Transportation and Infrastructure
Subcommittee on Aviation
U.S. House of Representatives
March 1, 2017

Chairman LoBiondo, Ranking Member Larsen, and members of the Transportation and Infrastructure Subcommittee on Aviation, thank you for inviting me to participate in this important hearing titled "Building a 21st Century Infrastructure: State of American Airports."

I'm Lew Bleiweis, Executive Director of Asheville Regional Airport in Western North Carolina, the fourth largest airport in North Carolina after Charlotte, Raleigh, and Greensboro. We served just over 826,000 passengers in 2016, the largest in the airport's history with almost a six percent increase over the previous year which makes it the third straight year with record setting numbers.

I am here today representing the small and non-hub classifications of the country's commercial service airports, including Asheville Regional Airport. While the small and non-hub airports only account for 11.8 percent of the national passenger traffic, we make up 89 percent (484 of 544) of the commercial service airports in this country.

While there are multiple issues affecting all size airports, I will briefly touch on items that have an overwhelming impact on the smaller airports.

1. Based on Airports Council International – North America's (ACI-NA) biannual Infrastructure Needs Survey that will be officially released next week, airports' infrastructure needs for 2017 through 2021, adjusted for inflation, is nearly $100 billion, or almost $20 billion annualized. Small and non-hub airports account for approximately 14 percent of this total number. Please keep in mind that these numbers are averaged over the five-year period and do not account for peaks and valleys for individual years.

Funding for small and non-hub airports is critical, and at the same time limited because AIP entitlement grants and PFC user-fee revenue is based on passenger enplanements. The smaller the enplanement numbers, the lower the AIP and PFC funds.

We all know that the expense of a capital project does not vary because of the size of an airport. As an example, a runway rehabilitation project still costs the same millions of dollars in Asheville as it does in Dallas or Pittsburgh.

Let me briefly detail the major airfield redevelopment project occurring in Asheville. The airport consists of a single runway 8000' in length serving both commercial and general aviation aircraft. The original airfield was over 50 years old and coming to the end of its useful life. We had two safety deficiencies that were out of compliance with current FAA standards. One was the separation distance between the runway and the parallel taxiway, and the second was line of sight along the length of the entire runway. We presented the redevelopment project to the FAA eight years ago in 2009 and it took five years to program and fund the project. Even with that, the FAA required us to phase the approximately $79 million project over four years because of funding availability. Capital projects for small airports under AIP are traditionally funded at 90 percent, with a 10 percent local match. Currently our project is only funded at approximately 72 percent leaving Asheville to fund approximately $18 million. We have been able to increase our fund balance over several years to cover the project, but it's been at the expense of deferring other capital aviation projects at the airport.

During this same time, as our passenger traffic has grown, our parking availability reached capacity, and we had to move forward several years earlier than anticipated with the construction of a $21 million parking garage facility to accommodate our growth. Due to lack of full funding on the airfield redevelopment project, the airport was forced to go into debt for the parking garage. A modernized PFC would have allowed us to recoup our cost for the airfield project sooner and would have provided us with more of our own funds to apply towards the garage.

An airport like mine has to make choices and be prudent about how we use our money. The airlines will tell you that they will just pay for it. That's not the case at small and non-hubs like Asheville. I'm fighting to keep my costs low to maintain service, and if I raise my rates too high to cover capital projects like my airfield, airlines will leave our community and operate at airports with lower costs. My story is not dissimilar from the stories of my colleagues in communities, especially small communities, across the country. The choices we make in terms of capital projects and the funding available do impact our abilities to truly meet our overall infrastructure needs.

Congress and the industry must work together to find a sustainable funding solution for the future. That is why our leading airport funding issues this year are removing the outdated federal cap on the PFC and enhancing the AIP.

2. Small and non-hub airports have difficulties attracting and maintaining air service for their communities. The consolidation of the airline industry has left a dominance of just four major carriers. These carriers decide which communities to serve, leaving many communities with little or no air service. In fact, over the past couple of years, approximately 50 small communities have lost commercial air service.

During a speech late last month, a recently retired airline CEO explained that larger airplanes reduce the fuel cost per seat, meaning that small planes servicing smaller airports are becoming harder to justify the economic feasibility, which questions the viability of the smaller airports.

All communities, but more specifically smaller communities benefit economically from a viable airport. In an analysis recently conducted, based on the FAA's Economic Impact Study on Commercial Aviation in the United States, small and non-hub airports contribute $121 billion economic output supporting 1.1 million jobs. Drilling down a bit more, airports contribute 123,400 jobs in North Carolina and $31 billion economic output or seven percent of our state's GDP. Locally in Asheville, the Asheville Regional Airport provides 1,700 direct, indirect, and induced jobs while providing $556 million of economic output.

The industry must find a way to keep air service inexpensive, and available to the majority of the country.

3. Lastly, small and non-hub airports, as with all airports, are required by the FAA to be as self-sufficient as possible and yet the FAA overregulates any airport development on any parcel of land – including sponsor donated or funded land. These onerous requirements, not actually found in federal law, trigger extensive and expensive federal environmental analysis, which unduly delays projects and often causes developers to look elsewhere to build their projects. This deprives airports of the ability to compete for development opportunities to generate non-aeronautical revenues, bogs down FAA staff in unnecessary review/analysis of project planning (at a time when FAA says it does not have sufficient resources to perform all of the functions it must do in a timely manner), and generates inefficiencies without any benefits.

We believe the federal government should only impose restrictions based on safety and efficiency concerns, and ensure that fair market value is received for non-aeronautical use of the land. The FAA bureaucracy does not need to get involved in every local land use decision at an airport.

Congress should encourage or mandate that FAA roll back its current Airport Layout Plan (ALP) policy to limit the statutory requirements, so that FAA has a role only with respect to issues affecting the safety, efficiency, or utility of the airport or federal facilities.

Thank you for your leadership on these important issues. I look forward to working with you, the members of the Aviation Subcommittee, and our industry partners to ensure a strong airport and aviation system for the 21st century.