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DATE: April 11, 2001

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 1059
RELATING TO: Small airport transportation
SPONSOR(S): Representative(s) Baker and others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) TRANSPORTATION YEAS 13 NAYS 1
- (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS YEAS 16 NAYS 0
- (3) COUNCIL FOR READY INFRASTRUCTURE
- (4)
- (5)

I. SUMMARY:

HB 1059 expresses legislative intent supporting federal, academic and aviation industry attempts to develop the Small Aircraft Transportation System (SATS) project and provides an appropriation of nearly \$3.33 million to help finance the experimental use of the system in Florida.

SATS is an integration of new technologies that includes small airplanes with high-tech, user-friendly cockpits, quiet jet propulsion systems working with integrated airports' infrastructure technology to allow precision landings even in inclement weather. SATS strategies are conceived to affect the nature of aviation operational capabilities for airports, airspace, and air traffic and commercial services. The strategy focuses on airborne technologies that expand the use of airports with excess capacity as well as underutilized, unmanaged airspace for transportation use.

HB 1059 appropriates \$3,329,500 from the General Revenue Fund to the Department of Transportation (DOT), to purchase the high-technology electronic airport infrastructure used to develop a network of 10 airports statewide for SATS experiments in 2003, and to help establish an operations command center to coordinate all flying and operational activities undertaken under the authority of this bill.

The bill would take effect July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1. Less Government Yes No N/A

HB 1099 involves Florida in a program that expands the state's participation in a new area of aviation operations.

2. Lower Taxes Yes No N/A

3. Individual Freedom Yes No N/A

4. Personal Responsibility Yes No N/A

5. Family Empowerment Yes No N/A

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Florida currently has 111 general aviation airports, 29 commercial airports, and more than 700 private airports. A "Commercial Service Airport" is an airport qualified to operate under Federal Aviation Regulations Part 139 with regularly scheduled commercial service operations by a carrier certified pursuant to Federal Aviation Regulations Part 121 or Part 135. "General Aviation Airports" have no regularly scheduled commercial service.

Florida's 29 commercial airports rank third nationally in enplaned air passengers, and over half of the state's visitors arrive by air each year through these airports. Florida's commercial airports enplane almost 6 percent of the nation's annual air cargo tonnage, and air cargo shipments account for over 25 percent of Florida's international trade dollars. Florida's 111 public general aviation airports bring an estimated 9 million travelers to the State each year, house over 6 percent of the nation's general aviation fleet, and rank second in the nation for the number of general aviation operations. Florida's general aviation airports are responsible for almost 80 percent of all aircraft operation that take place in Florida.

In response to a perceived underutilization of general aviation airports and the overutilization of ground transportation, the National Aeronautics and Space Administration (NASA), the Federal Aviation Administration (FAA), and state and local aviation development organizations developed the Small Aircraft Transportation System (SATS). NASA's vision is to use some of the underutilized airspace to alleviate the overutilized ground-transportation systems. This would be accomplished through technology that makes flying more user-friendly and competitive with intercity automobile traffic. SATS is an integration of new technologies that includes small airplanes with high-tech, user-friendly cockpits, quiet jet propulsion systems working with integrated airports infrastructure technology to allow precision landings even in inclement weather. This integrated technology requires smaller landing space than conventional airport technology.

SATS technologies target smaller aircraft used for personal and business transportation missions within the infrastructure of smaller airports throughout the nation. These missions include travel by individuals, families, or groups of business associates. Consequently, the aircraft are of similar size to typical automobiles and vans used for non-commercial ground transportation (two to eight seats). The SATS

technology aboard the aircraft is integrated with the airport technology infrastructure. These airports will not require air traffic control towers, and the airspace will not require radar surveillance for air traffic services.

In addition to technologies for the aircraft, SATS strategies are conceived to affect the nature of aviation operational capabilities for airports, airspace, and air traffic and commercial services. The wider SATS vision encompasses inter-modal connectivity between public and private, air and ground modes of travel. In concept, the SATS vision integrates the use of smaller landing facilities with the interstate highway system, intra-city rail transit systems, and hub-and-spoke airports. The strategy focuses on airborne technologies that expand the use of airports with excess capacity as well as underutilized, unmanaged airspace for transportation use.

The SATS Program was initiated in October 2000 with a \$9 million budget appropriated by Congress for fiscal year 2001 and a total budget of \$69 million for five years. A five-year, proof-of-concept research effort is required by Congress. The proof-of-concept program would culminate in a joint NASA/FAA demonstration of SATS operational capabilities. The five-year program objective is to demonstrate key airborne technologies for precise guidance to virtually any touchdown zone at small airports.

Embry-Riddle Aeronautical University is leading a consortium of public and private sector stakeholders, known as SATSLab, designed to be Florida's (and the Southeast region's) focal point for communication and implementation of NASA's plan to demonstrate the convenience, affordability, and economic benefits of SATS.

The goals of the SATS program are to:

- Establish the Southeast region and Southeast SATSLab members as "First-to-Market" in this new paradigm of air transportation and personal mobility;
- Show that SATS can move people and goods between Florida communities in half the time compared to current modes safely comfortably, and affordably;
- Select and outfit a network of Southeastern States airports with SATS infrastructure and services;
- Organize a fleet of aircraft equipped with the new "smart" SATS technologies.
- Work with communities and industry to develop seamless doorstep-to-destination connections at the selected airports;
- Integrate SATS capabilities for real travel markets to include: business, government, tourist, personal, and cargo; and
- Implement SATS service at 10 airports in Florida in 2003, and at additional 10 for showcase demonstrations by 2005.

C. EFFECT OF PROPOSED CHANGES:

HB 1059 would make Florida a participant along with NASA, the Federal Aviation Administration, the aircraft industry, and various universities in the SATS project. The bill expresses legislative intent language to:

- Improve travel choices, mobility, and accessibility for the citizens of the state;
- Enhance economic growth and competitiveness for the rural and remote communities of the state through improved transportation choices;
- Maintain the state's leadership and proactive role in aviation and aerospace through active involvement in advancing aviation technology infrastructure and capabilities;
- Take advantage of federal programs that can bring investments in technology, research, and infrastructure capable of enhancing competitiveness and opportunities for industry and workforce development;
- Participate in opportunities that can place the state's industries and communities in a first-to-market advantage when developing, implementing, and proving new technologies that have the potential to satisfy requirements of the public good;
- Participate as partners with NASA, FAA, the aircraft industry, local governments, and those universities comprising SATSLab to implement a SATS infrastructure as a statewide network of airports to support the commitments in this bill.

HB 1059 appropriates \$3,329,500 from the General Revenue Fund to the Florida Department of Transportation, for matching federal and private-industry funds in purchasing the high-technology electronic airport infrastructure used to develop a network of 10 airports statewide for SATS experiments beginning in 2003. The funds also will be used to help establish an operations command center that will be used to coordinate all flying and operational activities undertaken pursuant to HB 1059.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Creates the "Small Aircraft Transportation System" (SATS) program. Expresses legislative intent.

Section 2: Appropriates \$3,329,500 in general revenue to the Department of Transportation to spend on certain activities associated with the SATS program.

Section 3: Specifies this act shall take effect July 1, 2001.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

For FY 01-02, HB 1059 appropriates \$3,329,500 from the General Revenue Fund to DOT for use in helping implement the SATS program in Florida.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Indeterminate. Local governments and their public airports also may participate in the SATS program and contribute funds, on a voluntary basis.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate. Aviation companies in Florida industry who participate in the SATS program may contribute funding, on a voluntary basis.

D. FISCAL COMMENTS:

The bill does not specify any ongoing financial involvement by the state, but it would appear that such involvement will be necessary to complete the implementation of a SATS model system.

Also, the total SATS program cost is unknown, and it is not apparent what percentage the state appropriation is of the total SATS program funding.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The mandates provision is not applicable to an analysis of HB 1059 because the bill does not require cities or counties to expend funds, or to take actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

HB 1059 does not reduce the revenue-raising authority of counties or municipalities.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

HB 1059 does not reduce the state tax revenues shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

HB 1059 does not address how the 10 airports that participate in the initial SATS experiments will be selected, nor who will be in charge of, or even the location of, the operations command center that will coordinate the SATS activities. In order for DOT to properly implement this program,

additional criteria for airport selection and for establishing the operations command center should be provided.

The Department of Transportation has not taken a position on the bill.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 11th, 2001, the Transportation and Economic Development Appropriations Committee adopted one amendment which changed the appropriation in the bill. The \$3.3 million appropriation from general revenue was deleted and replaced with \$1.5 million from the State Transportation Trust Fund.

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Joyce Pugh

Staff Director:

Phillip B. Miller

AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT
APPROPRIATIONS:

Prepared by:

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