

Oregon State Aviation Board
Approved Meeting Minutes

October 16-17, 2001

North Bend, Oregon

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and mailed to persons on the mailing list of the Board, a meeting of the Oregon State Aviation Board was held in North Bend, Oregon, on October 16 and 17, 2001.

Board members present included Bill Wilkins (Chair) and Mike Burrill. Carrie Novick attended by teleconference. Also present were Oregon Department of Aviation (ODA) staff members Ann Crook, Daren Griffin, Marilyn Lorance and Carma Gale. ODA staff member Rebecca Jasso and Lynn Rosik, Assistant Attorney General, attending by invitation, were present on October 17, 2001 only.

Chair Wilkins opened the meeting at 9 a.m. on October 16, 2001. The following adjustments were made to the agenda:

- Approval of Consent Calendar items was moved to follow the agenda adjustments.
- The presentation on Oregon Community Air Transportation System (OCATS) concept was moved to follow the SATS presentation.

Hearing no objections, the agenda was adopted as revised.

Burrill moved that the September 19, 2001 drafted minutes be approved as published. Wilkins seconded and the motion carried unanimously.

Burrill moved that OAR 738.025 regarding self-fueling be approved. Novick seconded and the motion carried unanimously.

Wilkins read a letter from Lisa Dahl to Governor Kitzhaber stating she was resigning from the Board effective immediately. Wilkins stated that Dahl would be missed.

Dale Johnson of Morrow Aircraft gave a presentation on Small Aircraft Transportation System (SATS) aircraft and system development efforts. The SATS effort was initiated by NASA and incorporates business, universities, and state and federal governments. Johnson then reported on his company's plans to develop a Sky Taxi system that will eventually use SATS-type aircraft. Wilkins thanked Johnson for his presentation and moved to the next agenda item.

Crook spoke on Oregon involvement in SATS efforts. The state's consortium is being called Oregon Community Air Transport Systems (OCATS). She explained that the Oregon Department of Aviation's part is to identify airports for the program and help with infrastructure.

Crook moved to the next item and distributed a sheet showing revenue projections for 2001-2003. Most of the department's revenue comes from fuel tax and a 6% reduction is forecasted as a result of the events of September 11, 2001. Crook has had a 10% revenue cut calculated and will continue to monitor the budget. She stated that planned expenditures should not be affected.

Crook reviewed a letter she has prepared for the State Emergency Board outlining the actions the agency has taken since September 11, 2001 and the impacts those actions have had on the department's 2001-2003 Legislatively Adopted Budget priorities.

Oregon State Aviation Board
Approved Meeting Minutes

- The department has commissioned an economic impact analysis due on November 5, 2001. The results will be represented to Oregon's congressional delegation and other federal and state decision-makers.
- The department co-sponsored with Oregon State University's Transportation Research Institute a general aviation security summit on October 9, 2001. The recommendations have been forwarded to industry and decision-makers throughout the state and nation.
- The department has commissioned a blast analysis for Oregon's six smaller commercial service airports. (The Port of Portland is commissioning such an analysis for Portland International Airport.) The analysis is required to receive an exemption from parking restrictions imposed by the FAA.

The money for the first two items was made available by unscheduling the planned Recreational Airport Study. The blast analysis will be funded through the department's Financial Aid to Municipalities program.

Crook reviewed the recommendations of the summit including an airport watch, physical security measures (perimeter fencing, security lighting and emergency response plans at Category 2 airports), and personnel security measures (background checks and identification badges). She indicated that Jerry Eames would be the department's coordinator of the statewide airport watch program.

Novick noted that Crook has put together a weekly conference call for the air carrier airport managers to help each other that has been very valuable.

The formal meeting recessed at 3:10 p.m. with Novick's departure from the teleconference.

The meeting reconvened informally and off the record at 3:20 p.m. to hear a presentation by Gary LeTellier, North Bend Municipal Airport Manager. LeTellier thanked the Board for coming to North Bend. He noted improvement since the department was created and complimented the department for its leadership following September 11, 2001. He then summarized businesses and services at the airport, adding that North Bend Municipal Airport was interested in *SkyTaxi*. He pointed out two areas where the department could help the smaller airports:

- Continue grant aid programs to small and rural airports
- Take an active role in commercial air service issues.

LeTellier distributed an issue paper on the state of commercial air service in the North Bend/Coos Bay area.

The meeting recessed at 4:15 p.m.

Chair Wilkins reconvened the meeting at 9:00 a.m. on October 17, 2001. The following adjustments were made to the agenda:

- The State Aviation Board Travel Policy discussion was postponed to a future date when new Board members could participate.
- The items scheduled from 3:00 p.m. on were moved to start at 10:55 a.m.

Hearing no objections the agenda was adopted as revised.

Wilkins informed the Board that he had been in contact with the Executive Director of the Portland Rose Festival, which includes the Hillsboro Air Show. The Executive Director has

Oregon State Aviation Board
Approved Meeting Minutes

invited the Board to be a part of the air show on August 16th or 17th. Wilkins asked the Board's opinion on having the August Board meeting at the air show. The Board agreed.

Wilkins again read a letter from Lisa Dahl to Governor Kitzhaber stating she was resigning from the Board effective immediately.

Chair Wilkins recognized Tim Miller, representing PAAM, to comment on the proposed Minimum Standards for Category II Airports. PAAM consists of people operating at the Aurora State Airport. Miller distributed the rosters of the officers and members of the Aviation Section of the Oregon State Bar. He stated that there were very few differences left, and that the sole dispute remaining was applying the minimum standards to commercial activities on private land, to which the members of PAAM are 100% opposed. He stated Mr. Bennett, the owner of Aurora Aviation, the sole business entity on state land, is also opposed. He argued that the state does not have the authority to apply the standards to private land.

He stated their appreciation of the opportunity to participate in the process and thanked the Board for withholding consideration of the policy until he could appear before them. He stated that his clients feel very strongly and have indicated that if the Board decided to apply minimum standards to private land, they would seek redress in the courts.

Wilkins noted that the PAAM group had offered their expertise in developing policy and on security issues. Griffin stated that regarding incorporating security issues into the minimum standards, he would start with the recommendations from the General Aviation Security Summit and draft a section that would be added to all three minimum standards. Burrill noted that the FAA security standards are changing daily and that the document should accommodate those changes.

Wilkins thanked Miller for his comments and opened the meeting to other public comments.

Scoggins stated that increased security measures could have an onerous effect upon small business that cannot afford large security expenditures.

A discussion followed regarding security issues and whether they should be incorporated into the minimum standards.

Miller suggested the Board consider applying the minimum standards to businesses on state-owned property, delaying the application of the minimum standards to business on private land for a year until the effects of the minimum standards would be known.

Cliff Goldman, member of the Board of Directors of the Bandon Aero Club, stated that the pilots, aircraft owners and people at Bandon State Airport support Mr. Miller's comments and PAAM's position on the application of minimum standards to private property.

Miller commented that federal funds were not used to fence the private landowner portion of the airport fencing at the Aurora State Airport. Later, he drew the Board's attention to paragraph 1.2 of the standard ingress-egress agreement that states there is no intent to create any rights in real property.

Chair Wilkins read a statement that the Board would recess for the purpose of convening an executive session pursuant to ORS 192.660(1)(h). The Board recessed at 9:55 a.m.

The Board reconvened at 10:35 a.m.

Oregon State Aviation Board
Approved Meeting Minutes

Jasso reported on the closeout of the ODA 1999-2001 budget, a one-year budget that finished at 94% of budgeted expenditures. She reviewed the operating budget. It does not include search and rescue and capital construction budget but does include all of the programs. The department had \$2.7m in expenditures and \$5.2 in revenue. The year-end revenue balance was \$2.4m. She also reviewed the budgets for search and rescue, capital construction and Burns Airport project (pass-through funding).

There was discussion about the balance in the search and rescue fund. Burrill then asked about the balance on the Aurora and Independence capital project. Jasso explained that those projects are not completely closed out. She then reviewed the Board budget and expenditures for the 2001 and 2001-2003 biennial budget information for the Board.

Burrill voiced concern that the budget did not take into account Board travel above and beyond the Board meetings themselves. Crook explained that the sheet was informational in nature and was designed to help the Board in its discussion of a travel policy. She said the department welcomed the Board's comments. Wilkins noted that some assumptions cannot easily be resolved until a full Board is seated. Crook commented that she didn't want the Board to feel restricted because of budgetary constraints but would like them to consider the budgetary implications of their expenditures.

Jasso moved to a review of the legislatively adopted 2001-03 budget. She noted the changes within the operating budget, such as the purchasing of a truck, which was planned in the 01-03 budget, but was purchased out of the 99-01 budget. The funds are now planned to be used for computer purchases. She reviewed the changes in priority of capital improvement projects. Crook clarified that changes in limitation or in capital projects for the current year would have to be presented to the Emergency Board. The Board noted their desire to have changes in budgetary priorities brought before them for review.

Novick moved to adopt the legislatively approved budget. Burrill seconded and the motion carried unanimously.

Griffin requested approval to proceed on the process of surplusizing two state-owned airports, Beaver Marsh and Lake Billy Chinook. These airports were on the Aviation Plan list to close or transfer. There are no local public entities interested in acquiring the airports. He stated that the department would be working with the Department of Administrative Services. He reviewed the process and noted they had to remain public-use airports. There are no through the fence agreements in effect on either property. The Board recommended that the adjacent owners be informed of the risks of not having access agreements with the state before the sale.

Wilkins opened the meeting to public comment.

Harry Bladow of the Independence State Airport, asked if as a condition of sale an ingress/egress agreement be attached to the buyer to protect the rights of the people adjacent to the airport (Lake Billy Chinook). He asked how long the property must remain an airport.

Daren clarified the intent that they would remain airports in perpetuity.

Novick moved that the Board approve the surplus and sale of Lake Billy Chinook and Beaver Marsh airports. Burrill seconded and the motion carried unanimously.

Oregon State Aviation Board
Approved Meeting Minutes

The Board moved on to setting the agenda for the November 14, 2001 meeting, which will be held in Salem at the Capitol in Hearing Room E. Items to be included are:

- Consideration of the adoption of minimum standards for Category II Airports
- Airport security status report
- Possible legislative proposals
- Discussion and possible adoption of the minimum standards for Category IV Airports
- Staff presentation, discussion and public comment on the insurance document

There was a discussion regarding the governor's schedule for appointing new members. Crook indicated that January would be the earliest that the Senate could confirm the new members.

The Board recessed at 11:45 a.m. for lunch

The Board reconvened at 1:17 p.m.

Griffin reviewed the draft Minimum Standards for State-owned Category IV Airports. The first four sections are identical to the first four sections of the Category II Minimum Standards. Section 5 was revised after meeting with tenants and takes into consideration the differences between Category II and Category IV airports.

The Board asked that staff review:

- The language in Section 3.4.1 and .2 regarding existing operators with agreements
- Language inconsistencies regarding "employ" and "have on duty"
- Language regarding experimental and antique aircraft
- Language regarding the storage of hazardous chemicals on the airports
- Review language and talk to DEQ about spill behavior

Wilkins opened the meeting to public comment.

Cliff Goldman continued his public comment. He noted that the Department of Agriculture was responsible for oversight and regulation of pesticide application in the state, not DEQ. He gave a history on the Bandon Aero Club and Bandon State Airport. He reiterated his opposition to the adoption of the minimum standards for through-the-fence operations.

Harry Bladow, chairman of the Independence State Airports Support Group, is opposed to requiring a commercial pilot license to perform aircraft sales because it is not a "for-hire" work. He also asked that the language "Airframe and Power Plant Maintenance..." be changed to "Airframe and/or Power Plant Maintenance..." throughout the document. He suggested that EAA chapters be included as non-profit or non-business groups. He stated it was very important to not impose anything on operators that would put them out of business.

Board members stated that they would like to hear directly from the FBOs on what was in the document that would drive them out of business.

Wilkins recognized Clayton Lyons who lamented the difficulty in becoming an FBO.

There being no further business before the Board, the meeting was adjourned at 2:40 p.m.

Respectfully submitted,
Carma Gale, Office Manager