



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**STAFF REPORT**

Item No.

**4**

Meeting Date: **APRIL 12, 2012**

**Subject:**

**April 2012 Legislative Report**

**Recommendation:**

Adopt Resolution No. 2012-0034, approving the April 2012 Legislative Report

**Background/Justification:**

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires Authority staff to present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The April 2012 Legislative Report updates Board members on legislative activities that have taken place during the month of March. The Authority Board can give direction to staff on legislative issues contained in the attached Legislative Report (Attachment A).

**State Legislative Action**

The Authority's legislative team recommends the Board adopt positions on three bills concerning High-Speed Rail:

A Support position is recommended on AB 41 (Hill). This legislation would require officers of the California High-Speed Rail Authority (CHSPRA) to file statements of economic interest and disclose of any financial interests they have that comes before the CHSPRA, and recuse when required.

A Support position is also recommended on AB 492 (Gagliani). This bill would require the CHSRA to consider the creation of jobs and participation by small businesses when awarding major contracts or purchasing trains. The bill would also require the CHSRA to appoint a small business enterprise advisory committee.

A Watch position is recommended for AB 1574 (Gagliani), a bill that would enact a new California High-Speed Rail Authority Act and make the officers appointed by the Governor to the CHSRA subject to Senate confirmation.

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The Authority's legislative team is also recommending the Board adopt a Support if amended position on AB 2182 (Torres) that would ban a person who was previously found guilty of a misdemeanor for carrying a concealed firearm into an airport from ever entering the airport where the offense occurred. The amendment requested is that the author make it a crime for a previous offender to enter the sterile area of an airport-not any portion of airport property.

Finally, the Authority's legislative team is recommending the Board adopt a Watch position on AB 1704 (Huffman) that would ban coal tar use on airport runways after January 2013.

### **Federal Legislative Action**

On March 27, 2012 President Barack Obama nominated Michael Huerta as the next FAA Administrator. Huerta has served as Acting Administrator of the FAA since December 5, 2011. Prior to that, Huerta served as the FAA's Deputy Administrator. This appointment will also require Senate confirmation.

The Authority's legislative team is recommending the Board adopt a Support position on H.R. 2179 (Miller). This bill would direct the Transportation Security Administration (TSA) to transfer unclaimed money found at airports to each airport's United Service Organizations (USO), instead of using it for general civil aviation security.

The Authority's legislation team also recommends the Board adopt a Support position on S. 1813 (Boxer). This two-year, \$209 billion Highway Transportation Bill would fund projects at current levels. Additionally, the bill would exempt Private Activity Bonds from the Alternative Minimum Tax which would assist the Authority when it enters the bond market.

On February 13, 2012, the Administration released its Fiscal Year 2013 budget request for the Department of Homeland Security as part of its overall budget proposal. The President proposes funding of \$39.5 billion which is \$191 million less than budgeted for FY 2012. The proposal recommends the same number of Customs and Border Patrol agents as FY 2012, but does not specify the staffing levels at airports.

### **Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy  
  Customer Strategy  
  Employee Strategy  
  Financial Strategy  
  Operations Strategy

### **Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Equal Opportunity Program:**

Not applicable.

**Prepared by:**

MICHAEL KULIS  
DIRECTOR, INTER-GOVERNMENTAL RELATIONS



**RESOLUTION NO. 2012-0034**

**A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPROVING THE APRIL 2012 LEGISLATIVE  
REPORT**

**WHEREAS, the Authority operates San Diego International Airport as well as plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and**

**WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority's mandates and objectives; and**

**WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and**

**WHEREAS, under the Authority's Legislative Advocacy Program Policy, the Authority Board gives direction to Authority staff on pending legislation; and**

**WHEREAS, the Authority Board in directing staff may adopt positions on legislation that has been determined to have a potential impact on the Authority's operations and functions.**

**NOW, THEREFORE, BE IT RESOLVED that the Board hereby APPROVES the April 2012 Legislative Report (Attachment A); and**

**BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority FINDS that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code §30106.**

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 12th day of April, 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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April 2012 Legislative Report

State Legislation

**Legislation/Topic**

**AB 41 (Hill) – High-Speed Rail Authority-Conflicts of Interest and Ex Parte Communications**

**Background/Summary**

This bill would add members of the California High-Speed Rail Authority (CHSRA) as officers under the Political Reform Act of 1974. They will be required to publicly identify any financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.

**Anticipated Impact/Discussion**

This legislation would have no direct impact the Authority.

**Status:** 9/7/11- Approved by Senate by a vote of 37 to 0

**Position:** Support

**Legislation/Topic**

**AB 492 (Gagliani) – High-Speed Rail Authority, Small Business Advisory Committee**

**Background/Summary**

This bill would require the California High-Speed Rail Authority (CHSRA) to consider the creation of jobs and participation by small business enterprises in California when awarding major contracts or purchasing high-speed trains. The bill would also require the CHSRA to appoint a small business enterprise advisory committee.

**Anticipated Impact/Discussion**

This legislation could increase local participation by small businesses in San Diego County.

**Status:** 6/27/2011 – Referred to the Assembly Committee on Rules

**Position:** Support

**Legislation/Topic**

**AB 1574 (Gagliani) – High-Speed Rail**

**Background/Summary**

This bill would repeal all of the provisions of the California High-Speed Rail Act and enact a new one. The bill would continue the California High-Speed Rail Authority (CHSRA) in existence with limited responsibilities and would place the authority within the Business, Transportation and Housing Agency.

The five members of the CHSRA appointed by the Governor would be subject to Senate confirmation, but existing members could continue to serve the remainder of their terms. The bill would authorize the CHSRA to appoint an executive director, and would provide for the Governor to appoint up to six additional individuals exempt from civil service as CHSRA staff.

**Anticipated Impact/Discussion**

This bill does not have a direct impact on the Authority, but could affect the timeline for the implementation of the High-Speed rail connection in San Diego.

**Status:** 2/9/12 – Introduced and referred to the Assembly Committee on Transportation

**Position:** Watch

**Legislation/Topic**

**AB 2182 (Torres) – Airports: Firearms**

**Background/Summary**

It is currently a misdemeanor to knowingly possess a firearm within any sterile area of an airport. This bill would require a peace officer to arrest a person for violating the provisions of law prohibiting the carrying of concealed firearms when the offense occurs within an airport, and would require the peace officer to confiscate the firearm.

This bill would also ban a person who is subsequently found guilty of a misdemeanor for carrying a concealed firearm in an airport from ever entering the airport property where the offense occurred.

**Anticipated Impact/Discussion**

Authority staff is concerned about the responsibility and feasibility of policing persons entering Airport property. Authority staff agrees with the California Airports Council who is requesting the author amend the legislation to only arrest a person who after being found guilty of carrying a concealed firearm only after they enter into the sterile area of the airport.

**Status:** 3/8/11- Introduced and referred to the Assembly Committee on Public Safety

**Position:** Support if Amended

**Legislation/Topic**  
**AB 1704 (Huffman) – Coal Tar Prohibition**

**Background/Summary**

This bill would prohibit a person from selling coal tar in California and would prohibit, after July 1, 2013, a person from applying a coal tar pavement product on driveways, parking areas, airport runways, and playgrounds.

**Anticipated Impact/Discussion**

The Authority applied coal tar on SDIA's runway in 2006. The current alternative material to coal tar would require applications at least every five years, and has more limited availability, which could increase costs to the Authority. The California Airports Council is communicating to the author its concern that if coal tar is banned then a cost effective alternative would need to be ensured.

**Status:** 2/23/11- Introduced and referred to the Assembly Committee on Environmental Safety and Toxic Materials

**Position:** Watch

**Legislation/Topic**  
**AB 1455 (Harkey) – High-Speed Rail**

**Background/Summary**

The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008 general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail.

This bill would reduce the amount of general obligation debt authorized pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the amount contracted as of January 1, 2013.

**Anticipated Impact/Discussion**

This bill could impact the proposed construction for the section of High-Speed rail to San Diego County.

**Status:** 1/10/12 – Introduced

2/9/12 – Referred to the Assembly Committee on Transportation

**Position:** Watch (2/9/12)

**Legislation/Topic**

**AB 973 (Vargas/Garrick) – California Environmental Quality Act (CEQA):  
Exemption for Limited Duration Events**

**Background/Summary**

This bill would exempt from CEQA the approval of a park use or special events permit for a limited duration event that has a specified purpose, is located on public property, within a public right of way, or within a defined event venue.

A limited duration event is defined as a recreational tournament, sporting event, youth tournament, racing or walking event, fireworks display, holiday celebration, concert, military appreciation event, block party, wedding, job fair, festival and parade, street fair, beach and neighborhood cleanup, farmers' market, art market, and other similar event lasting 48 hours or less.

Events that include the erection or demolition of permanent structures would be excluded from the exemption.

**Anticipated Impact/Discussion**

This Authority participates in and sponsors various community events that may require CEQA approval if this legislation is not approved.

**Status:** 1/19/12 – Introduced  
2/2/12 – Referred to the Senate Committee on Environmental Quality

**Position:** Support (3/1/12)

**Legislation/Topic**

**State Budget**

**Background/Summary**

The Governor proposed a Fiscal Year 2012-13 budget totaling \$137 billion in state spending. This includes \$92.6 billion from the General Fund for most state services, \$39.8 billion from special funds, and \$5 billion on bond-funded projects. The Governor's budget projects that the General Fund faces a \$9.2 billion shortfall over the next 18 months. The budget proposes a mix of spending cuts and new sales and income taxes to close this gap and create a \$1.1 billion reserve. These taxes are part of a proposed November 2012 ballot initiative. If state voters reject the tax initiative, the Governor proposes

additional spending cuts, mainly affecting education, health and social programs.

**Anticipated Impact/Discussion**

The State Controller recently issued a report showing that tax revenue in January was \$528 million lower than the Governor assumed in the budget. The Authority's legislative team will continue to monitor the state budget to ensure there are no adverse impacts to the Authority as a result of the budget process.

**Status:** 1/10/12 – Introduced by the Governor

**Position:** Watch (3/1/12)

## Federal Legislation

### Legislation/Topic

**H.R. 2179 (Miller) – Transportation Security Administration (TSA) Transfer of Unclaimed Funds Act**

### Background/Summary

This bill would direct the Assistant Secretary of Homeland Security to annually transfer unclaimed money recovered at airport security checkpoints to the local United Service Organizations (USO). These funds would be used for activities supporting the local USO airport centers. The funds are currently used by the TSA for civil aviation security.

### Anticipated Impact/Discussion

This legislation would provide a direct financial benefit to SDIA's own USO facility instead of funding a large federal program.

**Status:** 3/7/12 – Approved by the House Subcommittee on Transportation Security and forwarded to the Committee on Homeland Security

**Position:** Support

### Legislation/Topic

**S. 1813 (Boxer) – Highway Transportation Bill**

### Background/Summary

This two-year, \$109 billion authorization bill focuses resources on preserving and improving the condition of highways and bridges around the country by renewing highway taxes at their current levels. The bill also provides funding for intermodal connections.

### Anticipated Impact/Discussion

The bill includes a provision which would exempt private activity bonds (PABs) from the alternative minimum tax (AMT) for bonds issued after the date of enactment and before January 1, 2013, which could benefit the Authority in its planned upcoming bond issuance.

**Status:** 3/14/12 – Approved by the Senate by a vote of 74 to 22

**Position:** Support

**Legislation/Topic**

**H.R. 2469 (Boxer) - End Discriminatory State Taxes for Automobile Renters Act of 2011**

**Background/Summary**

This bill would prohibit most state and local governments from imposing taxes on the rental of motor vehicles.

**Anticipated Impact/Discussion**

Because the bill exempts federally assisted airports from the proposed tax prohibition if a concession fee is involved, there would be no direct impact to SDIA or the Authority.

**Status:** 7/8/11 – Introduced and referred to the House Committee on the Judiciary

**Position:** Watch (8/4/11)

**Legislation/Topic**

**H.R. 1691 (Richardson) - Prevention of Unreasonable Fees Act**

**Background/Summary**

This bill would prohibit the operator of a “transportation terminal” (e.g. airport) from charging fees to providers of limousine and other prearranged ground transportation, unless the fee is pre-approved by the U.S. Secretary of Transportation. Under this bill, transportation terminal operators would be limited to the collection of fees charged to the general public for access to, or use of, the terminal, and for the availability of ancillary facilities. Transportation terminal operators would still be allowed to require vehicles for hire to use, and pay for, segregated parking facilities if the fee is the same as that charged to the public. The bill would also allow the state or its political subdivisions to require a license or fee (other than a prohibited transportation terminal fee) for a motor vehicle providing certain other prearranged ground transportation.

**Anticipated Impact/Discussion**

According to the author’s staff, this bill was introduced to prevent excessive fees such as those collected for repeated circling and registration for limited use of airport facilities. San Francisco International Airport was specifically identified as an example by the author. This bill is opposed by Airports Council International-North America (ACI-NA), and the American Association of Airport Executives (AAAE). Limousine and taxi drivers contribute to the wear and tear on airport roads, including SDIA, and can legally be charged for their usage.

**Status:** 5/3/11 – Introduced and referred to the House Committee on Transportation and Infrastructure

**Position:** Oppose (7/7/11)

**Legislation/Topic**

**H.R. 1474/S. 785 (Duncan/Thune) - Freedom from Government Competition Act of 2011**

**Background/Summary**

This bill requires that any government entity receiving federal funds contract out all federally-funded work – except in cases of national defense/homeland security and where there is no private source - to the private sector. This bill would require airports to contract with a private fixed base operator (FBO) to provide services at their airport.

This legislation was initiated on behalf of the National Air Transport Association in an effort to prevent airports from serving as FBO's. It is opposed by Airports Council International-North America (ACI-NA), and the American Association of Airport Executives (AAAE).

**Anticipated Impact/Discussion**

Although the Authority currently uses a private company for SDIA's FBO, this bill would mandate that the airport contract with a private FBO in the future, eliminating our option to provide our own FBO services, should the Authority choose to do so.

**Status:** 4/12/11- H.R. 1474 - Introduced and referred to the House Committee on Oversight Reform  
4/12/11 – S. 785 - Introduced and referred to the Senate Committee on Homeland Security and Government Affairs

**Position:** Oppose (6/2/11)

**Legislation/Topic**

**H.R. 1586 (King) - Expanding Airport Security Screening Opt-Out Programs**

**Background/Summary**

The bill would authorize the Secretary of Homeland Security to approve applications submitted by airports for private screening programs if such applications have not been acted on by the TSA within 120 days of receipt. The Secretary must approve the application unless it can demonstrate that doing so would hurt the effectiveness of screening or otherwise harm aviation security.

**Anticipated Impact/Discussion**

This legislation would result in an expedited review of a Screening Partnership

Program application should the Authority decide to use this program in the future.

**Status:** 5/5/11 – Referred to the House Committee on Homeland Security

**Position:** Watch (5/5/11)

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**Legislation/Topic**

**H.R. 386 (Lungren) - Securing Cockpits Against Lasers Act of 2011**

**Background/Summary**

This Act amends the federal criminal code to prohibit the aiming of the beam of a laser pointer at an aircraft or in its flight path, and imposes a fine and/or prison term of up to five years for such action.

The following would be exempt from the prohibition:

- Individuals conducting research and development or flight test operations for an aircraft manufacturer or the Federal Aviation Administration
- Department of Defense or Department of Homeland Security personnel conducting research, development, operations, testing or training
- Individuals using a laser emergency signaling device to send a distress signal

**Anticipated Impact/Discussion**

Although this legislation would have no direct impact to the Authority or SDIA, it could enhance aviation safety by protecting pilots from laser interferences.

**Status:** 2/28/11 – Approved by the House on a voice vote and referred to the Senate Judiciary Committee

**Position:** Support (4/7/11)

**Legislation/Topic**

**H.R. 235 (Brady) - Cut Unsustainable and Top-Heavy Spending Act of 2011**

**Background/Summary**

This bill would eliminate several federal programs including grants to large and medium hub airports under the Airport Improvement Program (AIP). This bill would also rescind any unobligated funds made available for such grants.

**Anticipated Impact/Discussion**

Because SDIA relies on AIP funding for its capital improvements program, the elimination of this funding could limit the Authority from moving forward on some airport projects.

**Status:** 1/7/11 – Introduced and referred to thirteen House Committees

**Position:** Oppose (4/7/11)

**Legislation/Topic**

**H.R. 3011 (Rogers) - Transportation Security Administration Reauthorization**

**Background/Summary**

This bill would reauthorize for two years the Transportation Security Administration (TSA) and TSA programs. If approved, this would be the first TSA reauthorization since the creation of the agency in 2001. Specifically, this bill would fund the TSA at \$7.8 billion in FY 2012 and at \$7.5 billion in FY 2013. It would also establish a “trusted traveler” program at airports to expedite passengers meeting certain security criteria through security checkpoints.

**Anticipated Impact/Discussion**

If passed, this legislation would help to ensure that SDIA remains adequately staffed by TSA personnel and could assist in reducing security checkpoint wait times for some passengers.

**Status:** 9/22/11 - Introduced and referred to the House Committee on Homeland Security and the Committee on the Judiciary

**Position:** Support (10/6/11)

**Legislation/Topic**

**S. 1660 (Reid)/ H.R. 12 (Larson) - The American Jobs Act of 2011**

**Background/Summary**

This legislation proposes spending \$447 billion for the purpose of creating jobs. Specifically, the bill would alter the Internal Revenue Code by reducing employment and unemployment tax rates, providing new tax credits and through other actions. The Senate has proposed funding the proposal with by imposing a surtax on individuals with annual incomes of \$1 million or more.

The bill includes \$50 billion for investment in transportation infrastructure. Of that amount, \$2 billion would go toward airport infrastructure projects. Airport development grants funded through this legislation would not require a local match.

This legislation would also exempt private activity bonds issued by airports in 2011 and 2012 from the alternative minimum tax. In addition, the bill would

create a \$10 billion for a National Infrastructure Bank and provide \$1 billion for the Next Generation Air Transportation system.

**Anticipated Impact/Discussion**

If enacted into law, this legislation could provide new funding for SDIA projects.

**Status:** 10/5/11 - Introduced in the Senate  
9/21/11 – Introduced in House

**Position:** Watch (11/3/11)

**Legislation/Topic**

**H.R. 2594 (Mica) – European Union Emissions Trading Scheme Prohibition Act of 2011**

**Background/Summary**

This legislation would direct the Department of Transportation to prohibit operators of U.S. civil aircraft from participating in any emissions trading scheme unilaterally established by the European Union. Under the European Union's carbon-emissions trading system, beginning in January 2012, U.S. airlines flying into or out of Europe must reduce their carbon dioxide emissions or pay a fine. The U.S. airline industry is opposed to the program based on its belief that it violates international agreements and infringes on U.S. sovereignty.

**Anticipated Impact/Discussion**

This legislation is not expected to have any direct impact on SDIA or the Authority.

**Status:** 10/24/11 – Approved by the House by voice vote and sent to the Senate  
12/17/11 – Referred to the Senate Committee on Commerce, Science and Transportation

**Position:** Watch (11/3/11)

**Legislation/Topic**

**H.R. 3116 (King) – Department of Homeland Security (DHS) Authorization Act for Fiscal Year 2012**

**Background/Summary**

This legislation would authorize the Department of Homeland Security (DHS) and DHS programs. The bill would require an internal review by Customs and Border Protection (CBP) to ensure there is adequate staffing at each of the 10 international airports in the U.S. with the largest volume of international travelers.

H.R. 3116 would also require implementation of the exit component of the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program at airports to ensure that visitors have stayed beyond the time they are allowed to remain in the country.

**Anticipated Impact/Discussion**

Approval of this bill could help ensure that SDIA continues to have an adequate level of federal security and sufficient CBP staffing for international flight passenger processing.

**Status:** 10/13/11 – Approved by the House Committee on Homeland Security by a vote of 20 to 12

**Position:** Watch (12/1/11)