



230 Washington Avenue Extension Suite 101 Albany, NY 12203 | P 518 687-2241 | F 518 463-8656

**NYS Joint Legislative Public Hearing
on the 2022-2023 Executive Budget -- Transportation
Michael Hall, NYAMA President**

Good evening, Senator Krueger, Assemblymember Weinstein and members of the Committees. I am Michael Hall, President of the New York Aviation Management Association (NYAMA). I'd like to express my appreciation for this opportunity to provide comments on the 2022-2023 Executive Budget as it relates to airports and the aviation industry in New York.

New York Aviation Management Association

NYAMA represents over 13,000 members and affiliate members, comprising 464 commercial service and general aviation airports, fixed based operators, consultants, engineers and various aviation industries and professionals who believe that economic development efforts at the state and regional level necessitate strong public investments in our aviation assets and facilities.

Airport managers and aviation companies are committed to advancing an inclusive culture by actively seeking diverse voices and promoting practices that enable everyone to excel. In this way, the industry will remain on the forefront of progress and innovation empowering each individual to be part of a dynamic system that by its very nature connects people with each other and with those of other nations around the world

COVID -19 Airport Response

New York's airports were on the front lines in assisting the state's efforts to effectively protect the traveling public throughout the most intense periods of the COVID-19 crisis. Our airports and airline partners aggressively instituted a range of risk mitigation measures aimed to reduce the likelihood of viral transmission. New technologies and airport designs are being developed and incorporated to allow for greater physical distancing of passengers and a more sanitized environment.

A Harvard study found that airports have shown remarkable adaptability by deploying new practices and protocols that embraced a wider definition of safety to expand considerations for public health measures, implementing a range of changes that support the sector's eventual return to a new normalcy.

The COVID Hangover and the State of Aviation Today

Before the pandemic, the aviation, travel and tourism sectors were experiencing unprecedented growth. This changed suddenly when the pandemic hit. Reports of 80% to 90% reduced passenger enplanements by the major carriers was reflective of our experience here in New York. Cutbacks and losses in air service to and from the state's airports were pervasive, and passenger volumes and scheduled arrivals and departures at New York airports plummeted far below the national average.

I'm pleased to report to you now that air travel continues to be one of the safest modes of travel when it comes to preventing the spread of the virus and has engendered the public's confidence. This bodes well for the industries' prospects for a rapid and sustained recovery.

Economic Impact of Airports

In the meantime, New York airports and their municipal sponsors are struggling to regain and preserve scheduled air service, especially to Upstate New York cities and counties. The extended closure of U.S.-Canadian border crossings has exacerbated the pandemic's effect on passenger demand for airports on the New York side of these crossings.

Airports are major economic engines, and the benefits of New York State airports are indeed impressive. Last year, the aviation industry contributed over \$72.3 billion in annual economic activity in New York State and more than 500,000 NY based jobs in aviation or aviation related industries, generating \$25.8 billion in payroll and over \$6 billion in state and local tax revenue annually. Hub services and nonstop routes usually rely on both business and leisure flyers. If passenger traffic remains stunted, airlines will continue to move traffic away from New York. It will be extremely difficult to bring these airlines and their disappearing New York routes back to our airports, especially in Upstate New York. Left unaddressed, our state and local economies will continue to suffer.

Consequently, NYAMA commends Governor Kathy Hochul for presenting an Executive Budget that recognizes the unique capital needs of airports. The budget proposes a level of investment that can help New York's airports and aviation industries drive new economic development and modernization facilities, create high-quality and sustainable jobs, as well as attract greater private sector investment.

Executive Budget Highlights

Upstate Airport Economic Development and Revitalization Initiative

The 2022-2023 Transportation Capital Program includes state funding for aviation projects. As part of this program, the Executive Budget proposes an additional \$150 million to complete the funding requirement for the \$250 million Upstate Airport Economic Development and Revitalization Program that will transform and modernize airports in Upstate New York and foster regional economic development.

There remain many airports in the state that are eligible for this program in the first round but not awarded funding. This second funding round will reach additional airports that have critical

infrastructure needs. These communities will likewise benefit from state investments, better positioning these airports to attract more scheduled commercial or charter service in many underserved areas of the state as we recover from the effects of the pandemic. These investments are helping New York State reestablish itself as the place for national and international aviation businesses to locate and grow.

NYAMA is urging the Legislature to support fully funding this program as proposed in the Executive Budget to help prepare our region's airports for the fight to reclaim airlines and profitable routes as flying recovers.

AIP and the Aviation Capital Grant Program

Other airport capital funding is provided mainly through two program categories: the Airport Improvement Program (AIP), which provides a portion of the local share required to match federal AIP grants, funded in the Executive Budget at \$14 million; and, the Aviation Capital Grant Program that, unlike federal AIP money, can be used to finance revenue producing projects at airports such as parking lots, fuel farms, hangar construction and concession development. This program is funded at \$12.5 million.

NYAMA continues to advocate for a minimum state financial commitment of \$40 million per year for the Aviation Capital Grant program. The previous five-year transportation capital program averaged just \$16 million per year. The \$12.5 million appropriation falls short of the level of funding needed each year to support a robust state airport investment program for critical resiliency, environmental improvement, energy efficiency and transitional clean fuel projects as state policymakers endeavor to address climate change.

Though aviation represents less than 3% of the world's carbon emissions, the aviation industry is already migrating to biofuels and nearly every major airline is conducting demonstration flights using alternative fuels while startups are experimenting with electric planes

The capital needs of airports require an annual commitment of \$40 million to the Aviation Capital Grant Program.

Conclusion

A well-funded aviation capital program for the Empire State's airports is essential to protect jobs and ensure economic health for the state and its residents. To be competitive with surrounding states, nationally and in the global economy, New York must continue to support public investment levels that sustain the development of world-class aviation facilities for travelers from across the country and internationally.

NYAMA looks forward to continuing to work with you and your legislative colleagues, especially the Co-Chairs of the Legislative Aviation Caucus, Senator Brooks and Assemblymember Lupardo, on developing strategies to maximize the economic benefits from state investments in airports and the aviation industry.