



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

**NYS Joint Legislative Public Hearing
on the 2023-2024 Executive Budget -- Transportation
Gregory T. Topping, P.E., NYAMA President**

Good evening, Senator Krueger, Assemblymember Weinstein and members of the Committees. I am Greg Topping, President of the New York Aviation Management Association (NYAMA). I'd like to express my appreciation for this opportunity to provide comments on the 2023-2024 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.

Economic Impact of Airports

New York airports and their municipal sponsors are beginning to recover economically in the post-pandemic world of travel. New York airports are starting to regain and preserve scheduled air service, especially to Upstate New York cities and counties. But we have a long way to go. If passenger traffic remains stunted, airlines will continue to feel economic pressures to move traffic away from New York. Once gone, it is 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.

Airports are major economic engines, and the benefits of New York State airports are indeed impressive. The aviation industry contributes over \$72.3 billion in annual economic activity in New York State and more than 500,000 NY based jobs are in aviation or aviation related industries, generating \$25.8 billion in payroll and over \$6 billion in state and local tax revenue each year. Hub services and nonstop routes usually rely on both business and leisure flyers.

Consequently, NYAMA commends Governor Kathy Hochul for recognizing the unique capital needs of airports. State supported investments this year helps New York's airports and aviation industries drive new economic development and facilities modernizations, creating high-quality and sustainable jobs, as well as attracting greater private sector investment.

Executive Budget Highlights

Upstate Airport Economic Development and Revitalization Initiative

The 2022-2023 Transportation Capital Program included high levels of state funding for airport projects through a \$250 million Upstate Airport Economic Development and Revitalization Program that is transforming and modernizing airports in Upstate New York and fostering regional economic development. As a result of your support of this program, the awards have been made and we are well into the construction phases for many of these critical projects. These investments are helping New York State reestablish itself as the place for national and international aviation businesses to locate and grow.

While these transformative, signature projects primarily taking place at the larger commercial service airports throughout the state, smaller and medium-sized airports that provide vital access points for business and tourism opportunities for communities from Long Island to Western New York are also in need of state funding to carry out their important missions as part of a national air service system.

AIP and the Aviation Capital Grant Program

Other airport capital funding is provided mainly through two program categories: the Airport Improvement Program (AIP), which delivers 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.

Unfortunately, this program continues to be grossly underfunded at \$12.5 million per year.

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 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 all-electric flight. Additional funding is needed to assist airports in pursuing projects that will promote New York's carbon reduction goals by electrifying airport operations and facilities and developing the infrastructure to support these innovations.

Based on the State Airport System Plan and other planning data, NYAMA calculates that the capital needs of airports that are eligible for state assistance require an annual commitment of \$40 million to the Aviation Capital Grant Program.

Aviation Capital Grant Program Award Cap Increase

In addition, as the funding is hopefully increased to the \$40 million level, the current award cap under the Aviation Capital Grant Program of \$2.5 million can be raised to a more realistic range of up to \$5 million. This would allow for the development of projects such as hangars that generate rents and other revenues, especially important to General Aviation (GA) airports. The Governor's 2022-2023 Executive Budget proposed this higher cap level, but it was not included in the final budget. We are disappointed that the award cap increase is not being proposed in this Executive Budget.

NYAMA is requesting the legislature to support adding this grant cap increase initiative in the One-House Budgets as negotiations on the Capital Budget continue.

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 Monica Martinez, and Assemblymember Donna Lupardo, on developing strategies to maximize the economic benefits from state investments in airports and the aviation industry.

February 6, 2023