

Commission Meeting

of

NEW JERSEY GENERAL AVIATION

STUDY COMMISSION

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: November 28, 1995
1:30 p.m.

MEMBERS OF COMMISSION PRESENT:

New Jersey State Library

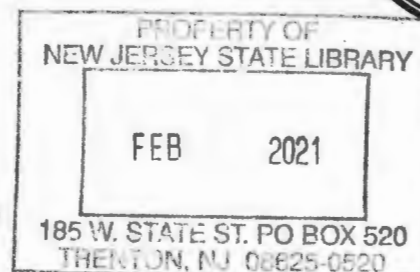
John J. McNamara Jr., Esq., Chairman
Frederick Telling, Ph.D., Vice-Chairman
Assemblyman Richard H. Bagger
John S. Penn
Abraham Abuchowski, Ph.D.
Linda Castner
Jack Elliott
Peter S. Hines
Wesley W. Jost
Suzanne Solberg Nagle
Henry M. Rowan



ALSO PRESENT:

Robert B. Yudin
(representing Gualberto Medina)

Huntley A. Lawrence
(representing Ben DeCosta)



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JOHN J. McNAMARA JR., ESQ. (Chairman): Good afternoon. I'm Jack McNamara. It's 1:30 p.m., I'd like to call to order the meeting of the New Jersey General Aviation Study Commission for November 28, 1995.

I'd like to call the roll. Abe Abuchowski? (no response)

Assemblyman Bagger?

ASSEMBLYMAN BAGGER: Here.

MR. McNAMARA: Linda Castner? Ben DeCosta? (no response)

Jack Elliott?

MR. HINES: He's here.

MR. McNAMARA: Phil Engle? Senator Haines? (no response)

Pete Hines?

MR. HINES: Here.

MR. McNAMARA: Mike Hollan? Mike's not here anymore?

MR. YUDIN: Bob Yudin, I took his place.

MR. McNAMARA: Right, sorry.

MR. YUDIN: He's no longer on this Commission.

MR. McNAMARA: We'll get that changed for the record.

Wesley Jost?

MR. JOST: Here.

MR. McNAMARA: Suzanne Nagle? Joseph Odenheimer? (no response)

Jack Penn?

MR. PENN: Here.

MR. McNAMARA: Henry Rowan?

MR. ROWAN: Here.

MR. McNAMARA: Fred Telling?

DR. TELLING: Here.

MR. McNAMARA: Okay, we have a quorum. I believe I have been notified by Suzanne Nagle that she will be here. She will just be a few minutes late.

The first question is, did everybody receive copies of the transcript of the June meeting?

DR. TELLING: Yes, I did.

MR. McNAMARA: Is there anyone who did not? (no response)

All right. I believe the September meeting -- is this correct, Madam Reporter -- the September meeting and the October meeting are going to be mailed shortly, is that correct? You were waiting for some exhibits, and we determined that we would mail those records without those exhibits attached. Is that correct? (affirmative response) We should all have them within the week, do you suppose?

HEARING REPORTER: I don't know the exact date, the Coordinator would know. You should get them shortly.

MR. McNAMARA: Okay, that's great.

We're now on an accelerated pace for getting our record because we're trying to get ourselves in a position to either wrap up our proceedings sometime toward the end of the winter, or at least come to our half-life, and make some determinations about where we are going and what we should recommend, by the end of the winter.

We will dispense with committee reports today because we have a full hearing schedule, unless anyone here representing a committee thinks it's imperative to make a report.

Seeing none, I'd like to call our first witness who is Jack Olcott. He is here on behalf of the National Business Aircraft Association.

J O H N W. O L C O T T: Thank you, Mr. Chairman, would you like me to proceed? (showing slides)

MR. McNAMARA: I would. I would like to state for the record that Mr. Olcott has delivered to me the following exhibits which will be made a part of our record. They are entitled: "The NBAA Airports' Handbook"; a brochure entitled "Face to Face" -- this is an NBAA publication?

MR. OLCOTT: Yes. I will explain that.

MR. McNAMARA: "Face to Face" is an NBAA publication. "The 1995 NBAA Business Aviation Fact Book"; "The National Business Aircraft Association Operator Profile and Bench Marking Survey"; "The Economic Impact of Business Aviation on the National Economy"; and a study entitled "Business Aviation Performance Study," which was audited by Arthur Andersen and Company.

Mr. Olcott, did I correctly identify those exhibits?

MR. OLCOTT: Yes you have, sir.

MR. McNAMARA: Okay sir, if you would please proceed.

MR. OLCOTT: Ladies and gentlemen, thank you very much for this opportunity to make a brief presentation to you this afternoon. My objectives are to explain the segment of general aviation that our Association represents, and to offer some qualitative perspectives that perhaps you can use in your worthy task of attempting to document the economic impact of general aviation airports.

MR. McNAMARA: Mr. Olcott, if you are more comfortable, please don't hesitate to address us while you're seated.

MR. OLCOTT: This is all right, I'm fine. Is this working? (referring to microphone)

MR. PENN: That's for the recorder. That is what that is for.

MR. OLCOTT: Is this on?

HEARING REPORTER: Yes, that's for recording.

MR. PENN: The other microphone is--

MR. OLCOTT: All right, fine. As the Chairman indicated, I am with the National Business Aircraft Association. I am the President of the National Business Aircraft Association.

Let me say something about NBAA. We represent the aviation interests of companies who use general aviation aircraft for business transportation. Our member companies, and I emphasize the word "member companies," because we do not have individuals within our Association, we have companies. Our member companies number approximately 4000. They range from companies that are well-known household words like AT&T, Amerada Hess, Johnson & Johnson, just to mention some firms that base aircraft here in New Jersey, to firms that perhaps you've never heard of before, 206 Hardware Corporation based in Princeton, New Jersey.

Our member companies are economic leaders. They have annual revenues in excess of \$3 trillion. To put that number in perspective, the gross national product of our nation is a little less than \$7 trillion. Our member companies employ 16

million people. They are prodigious users of air transportation, not only are they the world's most active users of general aviation aircraft for business transportation, they also purchased last year close to \$11 billion worth of airline tickets. The message there is that American industry needs transportation. They turn to the airlines when it's appropriate. They turn to business aviation -- the use of general aviation aircraft for business transportation -- when that is appropriate.

This afternoon I would like to give you some perspective on the use of general aviation aircraft for business transportation. To give you an idea of its size there are approximately 7000 companies in the United States that use general aviation aircraft for business transportation.

Worldwide there are approximately 11,000 companies that use business aviation to satisfy their transportation needs. As I pointed out, they are using business aviation as a partner with the airlines to satisfy their transportation requirements. In fact, that operator study that Chairman McNamara has indicates that approximately 28 percent of our member companies either have one department handle both business aviation and the airline travel or the flight department is closely linked with the travel department, so there is close coordination.

Business aviation -- the use of general aviation aircraft for business transportation -- is an integral part of a company's transportation resources. Why do companies use business aircraft? They use it for scheduling freedom. The airlines do an excellent job. They serve approximately 330

airports in this country with major airline service and another 220 locations with commuter or regional service. However, about 75 percent of all the airline passenger emplanements occur at only 55 locations.

Now let's contrast that with the use of general aviation aircraft for business travel. General aviation aircraft can serve approximately 5500 locations in the United States. Now, you've heard numbers of 18,000 landing facilities for general aviation in the United States. That number is quite misleading because over half of those airports are private airports not available to the public and they're very small.

But if we take a look at public-use airports with 3000 feet or more runway length, which is certainly sufficient for a number of business aircraft, and it's more than adequate for a number of single engine and light twin aircraft, you'll find that general aviation can serve 10 times the number of locations that have any airline service and 100 times the number of locations with convenient airline service.

So scheduling freedom is an extremely important factor and one of the reasons why companies choose to use general aviation aircraft for business transportation. Another reason is the office environment that exists while traveling. When you're in a general aviation aircraft, you know who is sitting next to you; you're not concerned about a conversation being overheard by the competition or just a curious individual. You know what is in the baggage compartment.

You know everything about the airplane and that environment -- that office-like environment -- is extremely important for maximizing the effectiveness of travel time.

Because travel time becomes productive time. It's, in essence, an office that moves with you, as opposed to being an inconvenience that you have to endure in the process of travel. So a general aviation aircraft is really an office that allows an individual to be productive en route.

Another aspect of general aviation is that there is total security while traveling. The airplane is under your control. You know who is traveling with you. You know how the airplane has been maintained. You know all the aspects that affect security.

Finally, we are very proud to say that those elements of control -- maximum control -- allow the safety record of turbine powered aircraft flown by two-person professional crews to be the best in all of transportation. When you look at the accident record -- the fatal accident record -- of turbine powered general aviation aircraft flown by a two person professional crew, it has the best safety record bar none. It not only rivals the excellent safety record of the airlines, it surpasses it on average.

Mainly because all the elements that impact safety: how the pilot is trained, how the airplane has been maintained, the dispatch of the airplane, the diversion of the airplane -- all of those elements are under the operator's control. It's understandable that business aviation that I'm talking about -- turbine powered aircraft flown by two-person professional crews -- has an outstanding safety record.

We're very proud of that safety record. But most of all, we're proud of the fact that business aviation allows a company to get maximum productivity out of its two most

important assets: people and time. In this era of rightsizing, when companies are trying to do more with fewer management individuals, the real measure of success is productivity. How do you get maximum productivity from your most important assets? A company's most important assets are people and time.

Business aviation allows maximum productivity of people and time. These thoughts are well-captured in one of the documents your Chairman has, "Business Aviation Performance Study," that was presented by Arthur Andersen and Company. Arthur Andersen looked at the financial characteristics of 766 companies over a five-year period after those companies purchased a turbine powered aircraft, not before they purchased the aircraft, but after they purchased the aircraft.

They found that on average the companies of medium size -- these are billion dollar or larger -- experienced a 7 percent greater sales growth in the years following the purchase of the airplane compared to the companies that did not purchase an airplane. I want to emphasize that these are numbers that are generated after the aircraft was purchased. Average cumulative annual sales growth across the five years of the study was 7 percent higher for companies purchasing airplanes. The airplanes contribute to the productivity of those companies, and that productivity represents greater sales growth.

Arthur Andersen also looked at the earnings per share of companies that purchased airplanes compared to the average of "Value Line" companies over the same period of time. They found that on average they had significantly higher growth in earnings per share after the sale for the purchasing companies as opposed

to the nonpurchasing companies. Those statistics are in the documents that the Chairman has and mentioned earlier.

We also took a look at the Fortune 500. We defined a group within the Fortune 500 which we called the Fortune 500 honor roll companies. These were the 50 companies within the total Fortune 500 that over the last 10 years had the highest returns to shareholders, returns in either capital gains or dividends.

These 50 companies aren't the top 50 of the Fortune 500; in fact, the average size of these honor roll companies -- the companies whose shares you and I would like to own -- is approximately 300 on the scale of Fortune 500 companies. Some of the companies are household names like Coca-Cola, others you probably never heard of before -- one of them is mentioned in that brochure you have -- or companies like Hillenbrand Industries.

The only thing these companies have in common is they are the companies that shareholders would like to own. Because over the last 10 years, those companies have had the highest return to shareholders in terms of dividends or capital gains; 92 percent of those honor roll companies are operators of business aircraft. On average, over the last three or four years, although some companies have moved into that list and some companies have moved out, on average, nine out of every ten of those honor roll companies are operators of business aircraft.

Just to be ecumenical and not focus too much on Fortune, we took a look at one of the indices that is put together by "Business Week." "Business Week" has something they

call their "productivity pacesetters." Those are the companies that have the maximum sales per employee; 80 percent of those companies are operators of business aircraft.

The point we'd like to make is that planes equal gains. Business aviation is an excellent way of increasing the profitability and productivity of a company. It is also interesting to take a look at a study that USA Today did. USA Today put together a group of experts and asked them to identify the 10 companies that, in their judgement, are the best examples of total quality management. All 10 of those companies are operators of business aircraft. They all own an aggregate 60 business aircraft. Again, planes equal gains.

The bottom line of my message is that business aircraft -- the use of general aviation aircraft for business transportation -- is the sign of good management, the sign of a well-run company.

I bring out these facts because I believe it is important to get an idea of the community whose fate you are addressing. Business aviation -- the use of general aviation aircraft for business transportation -- is extremely important to the State of New Jersey. For example, I would like to just take a list of our member companies here in New Jersey, and ask you whether these companies are very important to the economic well-being of our State.

I must say it's our State. I've lived in New Jersey all my life. I have a home in New Vernon. I work in Washington during the week, but I come up here on the weekends. So I'm very proud of what you are doing for our State and also for general aviation.

But let's just look at some of these companies: at Morristown, AlliedSignal, AT&T, BASF, Schering-Plough, Union Camp, Warner-Lambert; at Teterboro -- Bill, your area -- American Cyanamid, Hoffmann-LaRoche, Barnes & Noble, Becton-Dickinson, Colgate-Palmolive, Metromedia, Loews Corporation, Philip Morris, Sony Aviation; here in Trenton, Bronson Aviation, Unisys Corporation, Amerada Hess, Dow Jones, Johnson & Johnson, Pfizer Incorporated, Merck. Those companies are very important to the well-being of our State economically.

Also, I'd like to mention that airports across the nation as a whole-- If we take a look at the economic impact of general aviation airports and we use some of the studies that were commissioned by Martin Marietta, now Lockheed Marietta (sic) and conducted by the Wilbershaw Company (phonetic spelling), it's clear that general aviation airports contribute about \$18 billion to the national economy. General aviation as a whole contributes about \$50 billion to the national economy. I've heard the number \$1.7 billion as a general aviation contribution here in the State, but I submit that is the tip of the iceberg.

I submit that those numbers in no way factor in the importance of general aviation to our State. Those numbers do not include the fact that AT&T has its corporate headquarters in Northern New Jersey, perhaps in part because they have access to the excellent transportation that their general aviation airplanes provide out of Morristown Airport.

So when we look at the impact of general aviation, remember the opportunities of general aviation. I know of a case in particular, I will not mention the company, but I was in

the chairman's office, it's located just northwest of here. The company was originally located in New York City, but they wanted to move out.

They didn't like the fact that their airplane was based in West Chester County and that there was some congestion problems. This individual, this CEO, was very knowledgeable in the area of aviation and transportation. They looked at airports in New Jersey. They did not have the favorable reception that they were looking for with respect to where their company flight department could be located. They chose Allentown, Pennsylvania, and that's where they are located.

An anecdote, yes, but that's the impression-- That's the vignette the chairman of that company told me a number of years ago when I was in the publishing business.

I submit that you will find a number of companies nationally will consider their home headquarters based upon a number of factors. One of those factors is going to be transportation. As I said, general aviation is an integral part of successful companies' transportation resources. It's part of their transportation picture.

So, in conclusion, what I would like to leave you with is the qualitative position that general aviation is extremely important to our State. I admire the work that you are doing. I wish you great success in trying to quantify the value of general aviation. Please look beyond the obvious numbers and consider the business that you might not have in this State if general aviation airports were not available.

Consider the companies that might not be located here or the companies you could attract with a favorable attitude

towards general aviation. Am I saying that the only value toward our community is bigger airports like Trenton? Absolutely not. There is tremendous value to smaller airports for many reasons: One is, the place where people get started in our community is at the smaller airport.

The likelihood that the future of aviation will be populated by people who have received their training in the military is low. The military is cutting back significantly on their pilots. Furthermore, it takes so long to become a military pilot these days that once a person has devoted that degree of time and energy to become a military aviator, they're probably going to make military aviation their career, at least for 20 years, maybe longer.

Our community, business aviation, needs the input that comes from youngsters being interested in aviation, learning to fly at the local airport, and going on into a career. That's why the National Business Aircraft Association strongly supports the Experimental Aircraft Association's Young Eagles Program. Because we're concerned about the future generation.

I want to be less parochial. I want to be less involved with the community that our Association represents. I want to emphasize that general aviation is an extremely important enhancer of life's qualities. It's a way of bringing young people into an organized, disciplined community that teaches respect for staying within the limits not going beyond the limits. It gives them a structure in their lives. There are many examples right here in New Jersey: Eagle Squadron up in Paterson, Civil Air Patrol, other programs.

General aviation is an extremely important enhancer of quality of life for youngsters who are growing up and looking for something to believe in and for people who have decided they want to experience general aviation as a challenge and as a recreation.

Finally, I want to emphasize that general aviation enhances the quality of life because of the private transportation it can offer individuals.

I have a Baron, and I use that Baron in my business. I find that there are times when leaving out of Washington National I can beat the airlines to places like Savannah. Not only can I beat the airlines on time, but if I have two associates with me, I more than beat the costs of the airlines.

But I also use my Baron to visit my sons who are in the New England area, in Burlington, in a little town called New London, New Hampshire, and in the Boston area. Just like you use an automobile, you can use a general aviation airplane. And just like the automobile has greatly enriched the quality of our lives, so does general aviation enrich the quality of our lives.

In conclusion, the work you are doing is extremely important. It's important to the economy of the State. It's important to the quality of life in the State. I wish you good luck.

Thank you.

MR. McNAMARA: Thank you very much, Mr. Olcott. Mr. Olcott is here to answer questions. Anyone who would like to ask questions just go right ahead.

Susie.

MS. NAGLE: Mr. Olcott, my name is Susie Nagle. I'm one of the owners of Solberg Airport in Readington, New Jersey. Do you have any documentation to show if there is going to be an increase in the number of either the light twin or the turboprop or turbojet aircraft in the next five years?

MR. OLCOTT: The FAA has forecasted slight growth in the turbine powered arena. We find that the number of flight departments and the number of turbine powered aircraft has grown since about December of 1991. The community had a fall off in activity from 1987 to about 1991. It has turned around and is growing now at a slight rate, 2 percent to 3 percent.

We anticipate that growth will continue through the rest of this decade. The backlog for turbine powered general aviation aircraft is the best it has been in 15 years. So I would say that there is a reasonable expectation that there will be growth in that community.

However, in the broad-based community, we see almost no growth. Student starts are down. The number of general aviation aircraft as a whole has dropped from about 210,000 in the United States to about 175,000 in the last ten years. The number of active pilots has gone down. Unless something is done to reverse the trends in general aviation as a whole, we are going to see our community disadvantaged in the future.

MS. NAGLE: These companies that you went through the list that you shared with us -- I'm sure everyone here will agree -- are very vital to the economy in New Jersey. What would you say are the deciding factors or do you know what their deciding factors were to purchase an aircraft?

MR. OLCOTT: The factors in an aircraft purchase focus on: the need to reach out to markets as quickly as possible; to convert travel time to productive time; to be responsive to customer needs; to the needs of plants that you have located in remote areas; and in some cases responsive to community needs.

I want to, if I may, give a little vignette of one of our member companies, Townsend Engineering. You probably have never heard of Townsend Engineering; they're located in Des Moines, Iowa. They fly a Lear 55, which is a medium size business jet. I asked Bill Wagner, who is the Director of Flight Operations there, how did he use his airplane in the last week. He said, "Well, we're in the food processing machinery business. We produce machines that work 24-hours-a-day. When a customer of ours has a defect or a part that goes bad, we've got to supply that customer with a part immediately. We flew a part up to Northern Wisconsin, and we were heroes because we got that plant turned around like that." (snaps fingers)

He said, "You know, the flight before that, we flew a human heart into Des Moines. The only way heart transplants can be moved from one place to another is with business aircraft, because they're the only ones that can take the team from the hospital out to the donor, remove the heart, and put it in the new patient." He says it is such a time critical situation that you have to use the airplane.

Why do they do that? Because they want to make a contribution. They're not a charter operator. They are basically a company located in Des Moines, Iowa. That company incidentally not only flies locally, but they take their airplanes overseas. They have two airplanes. They take their

Lear Jet overseas, they don't take their Cheyenne, which is a prop airplane. That is an example of the breadth of which general aviation is used within a company.

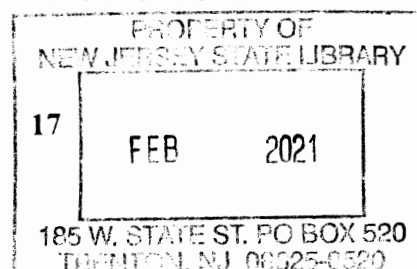
MS. NAGLE: The other question I have is, how important is the close proximity of an airport? You mentioned that most business aircraft would need an airport that has a runway of at least 3000 feet. How important is that and how far are they willing to drive? Do you know? Do you do surveys on that?

MR. OLCOTT: I don't have good numbers for that. I think you'll find that the corporate headquarters for Amerada Hess are probably, if they're not in New York, they're probably near Bayway Refinery (phonetic spelling) and yet they keep their airplane in Trenton. They used to operate out of Linden, New Jersey. They decided that Linden was not the place for them: too close to Newark, the runways were only, I think, 4200 feet long, and they wanted longer runways. So there is an example of moving down to Trenton. J & J and Pfizer used to be operated out of Linden; they're all down in Trenton. A company will move as required.

MS. NAGLE: Thank you.

MR. McNAMARA: Mr. Rowan.

MR. ROWAN: Mr. Olcott, you commented on the reduction in the number of general aviation aircraft from 210,000 down to about 170,000. Do you have any either statistics or concepts as to what is causing this decline in aviation? Do you feel that the product liability problems that face the airplane manufacturers perhaps has contributed to that decline?



MR. OLCOTT: There are many factors. Certainly the litigious atmosphere in which manufacturers found themselves was a contributing factor. We're hopeful with the statute repose signed last year and with Cessna already starting production of the 172, the 182, and the 206, we may see some reversal, but that will not be a panacea.

If you take a look at general aviation over the last 30 years, we find that it has been hit by restrictions, hurdles, impedances every time you turn around. In order to really fly these days one has to be very sophisticated. You have to go out of your way to find an airport where you can learn to fly. How many airports have we lost in New Jersey, 50 in the last 50 years? There are obstacles that are in place now that weren't in place 20, 30 years ago. I think that's a factor.

I also think that there are cases where governments have been less than enlightened about the advantages of aviation. They have taxed airports excessively. They have made it very difficult for airports to expand. Look at all the jurisdictions that an airport operator has to approach in order to expand their facilities.

Heaven forbid if somebody tried to open up a new airport now. It would probably take quite a long time, but it might keep a lot of people busy in the process. So I think, basically, what we are seeing is that there has been less than a favorable atmosphere for general aviation. I believe that's the principle cause for the decline.

MR. McNAMARA: On this side, Dr. Abuchowski.

DR. ABUCHOWSKI: Hi. I'm Abe Abuchowski. I do operate a turboprop for business. I notice, in my business, I'm

-- I wouldn't say besieged -- but I do receive quite often information from economic development authorities in various other states to move the company there. I notice that typically one of the enticements is either a new or refurbished airport that is local. Do you have instances or know of instances where companies have actually moved to other states where the enticement was an airport?

MR. OLCOTT: I don't know whether you were present when I mentioned the case of a major Fortune 500 company that decided to relocate out of New York City--

DR. ABUCHOWSKI: Yes, it went to Allentown.

MR. OLCOTT: --and went to Allentown.

DR. ABUCHOWSKI: Right.

MR. OLCOTT: But the point that I want to make is that they looked at New Jersey. One of the -- it probably wasn't the only factor -- but one of the factors was that they could not find as hospitable an atmosphere for their airplane here as they had hoped to find and as they did find in Allentown.

I think that one of the companies that comes to mind -- I think it's a great story -- is a company that has one of its major plants located in a little town in Southeastern Indiana. This particular company is one of the Fortune honor roll firms. They are very good to their stockholders.

They are located in a little town of a 4000 population. It so happens that this company employs 3000 people. So you can imagine that the plant is pretty important. It employs people from the surrounding area. The reason why they are there, as opposed to someplace else, is because they do have a general aviation airport. In fact, they built the

airport. They found an old airport and they just took it over. They operate a fleet of 6 Citations out of that facility.

They go out to their customers. They put their customers in the airplanes. They fly them back to the plant, give them a sales pitch en route. It's very hard for somebody to walk out of a sales pitch at 39,000 feet. When they get to the plant they give them a plant tour. They know in advance how many dollars worth of orders they can expect from a customer.

They find that the plant tour always increases the order base. In fact, the modis operandi is so successful that not only does the company say it's part and parcel of their marketing approach, but they can identify areas where the flight department more than pays for itself, just from the marginal orders, from the increased orders they get from the people flying in to go through the plant tour.

MR. McNAMARA: Assemblyman Bagger.

ASSEMBLYMAN BAGGER: Thank you.

On a similar topic, are there steps that other states are taking or steps that New Jersey should take to encourage business aviation operations to locate within our State? Our situation may be somewhat unique in that it would be possible for businesses that are not located within New Jersey to have their flight operations here because of our proximity to New York City and Philadelphia. Having flight operations based in New Jersey could really be sort of a lead to having more business operations located in the State. Are the things that are happening for incentives to bring in business aviation to one state as opposed to another location?

MR. OLCOTT: I don't have any specifics that I can give you. It's a very reasonable question, and I regret that I don't have anything specific to offer. I do believe, though, that if you look at the State of Ohio, you'll find some examples of how the state actually took an aggressive attitude towards airports. They believe that the attitudes that they took and the money and the promotion that they put into the airport programs in Ohio paid dividends to the state itself.

ASSEMBLYMAN BAGGER: Thank you.

MR. McNAMARA: On this side are there any questions?

Dr. Telling? (negative response)

Mr. Olcott, you referred to a list of companies using particular airports in the State of New Jersey, is that one of the exhibits that we received from you?

MR. OLCOTT: I would prefer not to give you this specifically, because our membership directory is something we do not distribute. But I believe that some of your consultants have a lot this information. I believe that they are using some of this information.

MR. McNAMARA: I think of it only as an exhibit. Does it contain more information than is already read into the record?

MR. OLCOTT: Yes, it does.

MR. McNAMARA: Okay, I understand.

DR. TELLING: Fred Telling, with Pfizer. Is it possible for you to give us an estimate of the number -- maybe you did this earlier and I missed it -- a number of NBAA members who are based in New Jersey either corporate headquarters or whose aircraft and some, you know, total number of aircraft and

its diversity is based in the State and has that been rising or declining over the last decade, let's say?

MR. OLCOTT: Actually the number has been increasing but basically because we have been a little bit more aggressive in going out and seeking membership. The number of NBAA member companies in New Jersey is approximately 130.

MR. McNAMARA: Say again?

MR. OLCOTT: About 130.

MR. McNAMARA: One hundred thirty.

MR. OLCOTT: Some of those companies have multiple aircraft, some of them have just one aircraft.

DR. TELLING: On behalf of Pfizer, if I could take a moment as a member of NBAA, I'd like to take this chance to express our appreciation for the wonderful job that you have done -- the Association has done. I also think that from the point of view of this Commission, it has been noticed the extent to which NBAA has very carefully, I think in a considered way, continued to strike a balance between representing the business interest and keeping the umbrella broad enough to include in your deliberations and your policy makings, as I understand it, all of general aviation. You did so today in your remarks.

That's important, because I do worry at times, as both a pilot and a member of a corporation with an active aviation aircraft user, I do worry that the business community in a sense segregates itself in the end view that a complete subset that will also in the long run harm the growth and feedstock, in a sense, for general aviation over time. The NBAA, as I understand it, has played an important role in keeping that balance. I would urge you to continue to do so.

MR. OLCOTT: I would like to add punctuation to what you just mentioned. We represent companies that use general aviation for business transportation. We do not see business aviation as a unique element all to itself, like the military is a unique element, or the airlines are a unique element. We feel it's imperative that the breadth of general aviation be appreciated.

Part of that is self-interest: Where are we going to find the people to fly the business airplanes in the future? Where are we going to find the executive who appreciates aviation and thus will look favorable on this form of transportation when they are in a position to make a decision for their company? Where will we find the voters who will back the bond referendums for a local airport?

We need to expand the acceptance of general aviation not only as a business tool, but as a way of enriching people's lives. By giving people this added dimension to transportation that they may use as a family car someday, may never use it for business. We believe strongly that business aviation depends upon acceptance of all general aviation. So our emphasis is on general aviation.

Some of the statistics that I quoted were generated by the National Business Aircraft Association in conjunction with the General Aviation Manufacture's Association. Our two associations are working together on an advocacy program which we call "no plane no gain."

I want to emphasize the roll of advocacy. I believe that one of the biggest risks to general aviation that we have in this State is that the average person doesn't know what we

are talking about. They don't know what general aviation is. They never feel that general aviation has an impact on them even though they may very well benefit from the general aviation airport nearby them. They might very well benefit from exploring the enjoyment and fulfillment that general aviation provides.

If there were some way of communicating to the population in New Jersey the benefits of general aviation, I believe you'll do a lot to counter that trend that you mentioned earlier, namely, the trend of decreasing the number of pilots, decreasing the number of general aviation aircraft, and a lot of pressure on local airports.

MR. McNAMARA: How would you deliver that message?

MR. OLCOTT: The task is extremely difficult. We faced it on a national basis and decided that we had to focus on target markets, one of them being the financial community. We needed to impress the financial community with the bottom-line benefits of business aviation. That's why the orientation that we took was earnings per share, return to shareholders emphasis there.

I believe that you should seek the input from the General Aviation Manufacturers Association in the area of a recent survey they just completed on why people went into learning how to fly and why they don't go into learning how to fly. I think you will find there that quality of life and fulfillment are very big motivators in learning to fly, not necessarily the need to fly on business or to become a professional pilot.

I would contact Ed Stimpson, who is the President of the General Aviation Manufacturers Association, ask if he wouldn't be able to share with you some of the study results they just completed. Then I would urge you to look at the advantages of some sort of a public relations campaign that just elevated people's sensitivity to the value of general aviation. I don't know whether you have a budget for that or whether that's in the mandate of this State Commission, but I believe it would be very valuable for meeting your objectives.

MR. McNAMARA: You wouldn't have any idea of the size of budget, even a threshold budget?

MR. OLCOTT: I believe the General Aviation Manufacturers Association and their partners on this-- I believe AOPA was a partner on it. I believe there were several other partners. I think the magnitude of that particular study was in the neighborhood of \$90,000.

MR. McNAMARA: For what? One airport or one state?

MR. OLCOTT: No, that was for the broad evaluation of what are the factors that motivate people to learn to fly. It was a national survey.

MR. McNAMARA: Oh, I see.

MR. OLCOTT: Now, to give you an idea of the impact-- Well, you're talking about, if you could use somebody else's survey results, then you reduce that cost. If you're talking about some sort of promotional campaign, then you're talking in the neighborhood of probably a quarter of a million dollars.

MR. McNAMARA: On a statewide basis?

MR. OLCOTT: On a statewide basis, yes. I'm talking about some sort of promotional material that would go to the

publications in the State, newspapers in the State. The approach would be-- Jack Elliott probably knows how to handle this better than anyone here. That is, you need to have both a public relations approach, which is essentially interesting the editorial staff in covering the subject. Then you have to have a marketing approach, which is essentially buying space, buying coverage, distributing materials either by direct mail or by advertising.

The public relations aspect of it is less expensive, but you don't have much control over it. If you really want to control getting your message into certain media, you have to advertise. That means you have to pay to gain that space.

MR. McNAMARA: Mr. Elliott.

MR. ELLIOTT: Yes, I just wanted to point out, Jack, that for 25 years now, every spring in the Star-Ledger, we run a "Learn to Fly" series, in which we interview anywhere from 15 to 18 student pilots. One of the things we always ask is, "Why are you learning to fly?" Now the Star-Ledger reaches some 700,000 people on Sundays. It blankets a major portion of the State.

So a lot of those questions have been answered for 25 years. There are hundreds of pilots who have been interviewed in that. I hear from some of them years and years later. It does inquire as to why did you learn to fly. A lot of the answers are the same year after year and some of them are different, but it has been addressed in a media that reaches a significant number of people on a regular basis for many years.

MR. McNAMARA: Has that been compiled, Jack?

MR. ELLIOTT: No, it hasn't. I'm working on a book now that would include perhaps one chapter of interviews. Also I need to point out that the column I write is not addressed to pilots, it's addressed to the people who read newspapers who are nonpilots. Its major function is as a means of educating the general public as to what aviation is all about. We try to do it through human interest stories.

DR. TELLING: Mr. Chairman, perhaps there is an opportunity if we put the two of you together, Mr. Olcott for one, there could be an interview in some upcoming publication. The basic message is not only of business aviation but what general aviation does for the State and its importance to be treated as a whole. It sounds like it could make a very interesting column, perhaps to be considered.

If I could come back to a couple of questions, NBAA, if I'm not mistaken, has taken a leadership role in trying to work with its corporate members to assure both in terms of goodwill, although the decisions are really up to the corporations themselves, I think, in trying to encourage compliance -- considerable compliance -- on noise suppression prevention programs. Could you take a moment to talk about some of the things that NBAA has tried to do in the sense to continue to improve and better inform the public about the image of corporate aviation?

MR. OLCOTT: We have a program which we call "Quiet Flying is Good Business." We publish a document; in fact, on the way up here I was reviewing the galleys on it. It's basically our airport noise summary.

There are approximately 622 airports in the United States that have some sort of noise procedures associated with them. We document all those noise procedures, distribute this to all of our members, and it's available to anyone else who wishes it as well. We emphasize that quiet flying is good business and are particularly sensitive to the concerns of communities with respect to noise. It's a big issue.

DR. TELLING: I think, insofar as we've heard, noise is one of the issues that obviously concerns the public most besides, you know, not-in-my-backyard attitudes. It's the thing that they are most aware of, indeed with the recent FAA decisions on the east coast traffic plan. It has certainly been a key issue in the newspapers for New Jersey citizens in general, who generally don't feel particularly well treated.

It just-- It does strike me in terms of leadership to them is taken and there might be an opportunity there for very favorable, I believe, state of affairs with regard to corporate aviation and general aviation. It has to be communicated better to the public, and anything to that regard would certainly be appreciated.

Back to the question Assemblyman Bagger raised, questions that may influence a corporation's decision to site here or not, are there any specific legislative or other regulatory actions that NBAA has identified that would make New Jersey a more aircraft user-friendly State? One of them that comes to mind, that I've heard something about, but would, like your view, is the issue of whether or not a corporation exposes itself to the corporate business tax in New Jersey simply by the sheer act of siting in this State, even if they don't already

have other facilities. That is only one example. Are there any issues you would raise to the Commission's attention?

MR. OLCOTT: I would urge you to contact our expert on state tax issues. Her name is Nel Sanders.

MR. McNAMARA: Say again, please.

MR. OLCOTT: Nel Sanders, S-A-N-D-E-R-S, and she is at our offices, that's (202) 783-9000. She has a very good handle on the tax ramifications of aircraft ownership. We publish a list of all the state taxes that apply to aviation for all the states in the union. So I would be glad to send one of those to you, but I would urge you to speak to her directly.

DR. TELLING: Fine.

MR. McNAMARA: We would appreciate the receipt of that report and like to enter it in as one of the exhibits appended to your testimony.

MR. OLCOTT: Very good.

DR. TELLING: In addition to taxation, if I could continue on that line for just a minute, are there any other issues that might come to mind that are influential? They range from things beyond tax, like delays on the area we might face. Some of which, you know, is influenced by the nature, as you pointed out, of smaller airports that are available as relievers, or the availability of smaller airports to indeed take the aircraft population that can best be sited there away from the larger ones. But are there other issues that come to mind beyond tax that you would like to bring to the Commission's attention?

MR. OLCOTT: If an airport offers a receptive attitude towards flight departments, I believe that the community would benefit, the flight department would benefit, everyone would benefit.

By receptive attitude, I mean the following: It's very important for all parties, those parties that have things in common, as well as those parties that don't see eye-to-eye on issues like general aviation, to come together to be present in a forum and articulate their concerns, hopes, and annoyances. I'm convinced that if you can encourage that type of dialogue -- like you have done, Phil, up at Teterboro -- you can have positive results.

I look at situations where an airport is located in one town, as far as its governance is concerned, but the majority of its land is located in another town. The hassles that result from that type of arrangement are negative for all parties concerned. They're difficult for the operator who wants to expand the facilities, put up a new hangar. It's difficult for the town that says, "We suffer the noise but don't have the revenues." The town that does have the governance may not show a great deal of interest.

Whatever you can do to create an environment where those hassle factors are resolved by discussion between all available parties I think you'll make a contribution. If there were a way that this Commission could facilitate such communications, I believe that would be helpful.

MR. YUDIN: Bob Yudin.

When this Commission makes its recommendation, I hope the recommendation that we do make will be in a positive nature.

I think that is very important. Jack just said-- Very quickly, very fleetingly, you made a couple of statements that I would like to give you the opportunity to explain to me. "You know what's in the baggage compartment." I think I know what you meant by that, but I want to give you an opportunity to tell me if I caught it right.

Then you talked about safety and security, the implication being that other kinds of aviation are not safe and not secure. If, in fact, that is what you meant, I think you do your argument a disservice. But I want to give you an opportunity to see if I misinterpreted what you said.

MR. OLCOTT: An axiom is Business is control. An axiom of business is Leave nothing to chance, no surprises. Business leaders want to have control. The airlines offer an outstanding level of safety. There is no question about that. However, in order to attain that level of safety they have to go through tremendous security time consumers: Checking in at the airport, going through the baggage check in, now you have to show positive picture ID to get on the airplane. The time required, the hassle factor required is tremendous, and the feeling of not being in control is definitely there.

A positive aspect of business aviation is that all the factors that influence your schedule, the hassle associated with getting on that airplane, and the safety of that airplane -- all of those elements are under the operators control. That is an attractive feature for American business.

MR. YUDIN: I just think that if you had phrased it that way in the beginning -- that's better. The way I took it in the beginning is, when you make comments like, "You don't

know what's in the baggage compartment," it's a very derogatory remark to the airlines. I think if we take that tact, we make our job more difficult in trying to sell to the general public whatever recommendations that we're going to come up with. I think it's very important to strictly stay in a positive vein. But I guess I did take your comments accurately.

MR. OLCOTT: I respect the point you're raising. We look at ourselves as partners with the airlines in providing our nation with the best transportation system, the safest, the most efficient found anyplace in the world. We are very proud of the safety record of all of aviation.

I respect what you're saying because in many ways the nerve that I hit with you was similar to the nerve that was hit with me when a controller in the New York Center, or maybe he was in the trade con, I'm not sure, announced the other day that he thought that our system was getting unsafe because of the age of the ATC equipment. He said, "I don't really feel comfortable letting my family fly on the airways now."

I think that was a very unfortunate statement because one thing that I am convinced about is that the controllers in this country and the pilots have done an excellent job and will continue to do an excellent job maintaining the highest level of safety, in spite of the fact that there is a need for more modern equipment in our nation's air traffic control system.

The impact will not be on safety. It may be on delays, but it will not be on safety. I'm convinced that the community of controllers and pilots are so focused on safety that will never be compromised. Only the hassle factor in

achieving that uncompromising level of safety will be what the public feels.

MR. McNAMARA: Are there any more questions? (no response)

There being none, I would like to thank you, Mr. Olcott, very much, for taking the time, coming up from Washington, to address us today. I guess Mr. Penn is going to make arrangements at about 3:30 p.m. to take you back over to the train station. We would appreciate receiving the additional materials that you could send us. If you find from time to time, prior to the conclusion of our deliberations, that there are further materials you think would be helpful, we would appreciate receiving them also.

I'd like to ask Dr. Telling, if I may, to undertake the responsibility of contacting Nel Sanders. I saw you taking down that number.

I'd like to ask Mrs. Nagle to undertake the responsibility of securing for us the GAMA Study (General Aviation Manufacturers Association) from Ed Stimpson.

Just one final thing. We're all fairly familiar with your background, but for the purpose of the record, would you please tell us-- We know you're a New Jersey resident. I know, personally, you're a graduate of a fine academic institution at Newark Academy and another one at Princeton University. I believe-- Are you an aeronautical engineer out of Princeton University?

MR. OLCOTT: Yes. I have bachelor's and master's degrees in aeronautical engineering. I have a master's degree in business administration from Rutgers. My flying experience

is over 7500 hours. I am licensed as an airline transport pilot, as a flight instructor, type-rated in a number of business jets: Falcon 900, Lear Jet, Citation, King Air 300. I own a Baron. I've been involved in aviation since I started my first flying lesson in 1951 at Somerset Airport.

MR. McNAMARA: Something we have in common.

Your professional experience includes, in addition to being president of NBAA -- how many years were you the editor of "Business and Commercial Aviation"?

MR. OLCOTT: I was an officer with McGraw-Hill, responsible for their general aviation publications. I joined "Business and Commercial Aviation" in 1978 when it was owned by Zipf-Davis, and then, subsequently, it was sold to Rupert Murdoch and finally to McGraw-Hill.

My involvement with the aviation publishing industry dates back to 1973. Prior to that time I was a senior consultant and Vice-President of Aeronautical Research Associates at Princeton, here in Princeton. Prior to that, I worked for Princeton University after getting out of the graduate school.

So all my involvement, with the exception of the three and a half years that I have been down in Washington, has been here in New Jersey. Except my work for Princeton University took me to India where I was responsible for setting up a flight laboratory for a newly formed aeronautical engineering department.

MR. McNAMARA: One tidbit that shouldn't go unmentioned, of course, is the famous Deltoid Pumpkin Seed, I believe it was called. Weren't you the test pilot for that?

MR. OLCOTT: Yes, that was an effort done totally here in New Jersey to try and combine the aspects of lighter than air with the aerodynamics of heavier than air. A team of engineers, based principally in Princeton, attempted to merge the hydrostatic and aerodynamic characteristics of airships and airplanes into something they called an "aerobody."

I was involved with the flight tests of that machine. The tests were done -- you're dating me -- they were done over 20 years ago. But they were documented in a book called "The Deltoid Pumpkin Seed." I've had a lot of fun explaining that to people. (laughter)

MR. McNAMARA: And finally, sir, it's somewhat after the fact, but we can do it that way. We are in the habit of taking all testimony under oath here.

Do you affirm that the testimony you have given this Commission is true under penalty of perjury?

MR. OLCOTT: Yes, I do.

MR. McNAMARA: Thank you very much, Mr. Olcott.

MR. OLCOTT: Okay. May I just say that we have extra copies of the "Face to Face" brochure. They are vignettes, actually documentations of how people use business aircraft. I think you might find it interesting. Also, we have extra copies of our fact book if you would like to have those.

MR. McNAMARA: Thank you very much.

Is Mr. DuPont here?

J O S E P H R E N E D u P O N T: Essentially-- Is this on now?

MR. McNAMARA: Mr. DuPont -- by way of introduction this is Joseph DuPont. He has come to take five minutes of our

time to give his testimony on a program for locating detention basins at aeronautical facilities for the purpose of fire fighting.

Mr. DuPont, do you swear that the testimony you will give before this Commission is true under the penalty of perjury?

MR. DUPONT: Yes, I do.

MR. McNAMARA: Thank you very much, go ahead.

MR. DUPONT: Basically, as a private pilot for almost 29 years, who soloed out of the now nonexistent Basking Ridge Airport, I am keenly aware of how fragile our airport resources are. Having flown as far as Colorado, Maine, and Virginia in a single-engine aircraft, I can attest to the fact that there can never be enough airports from a pilot's perspective.

It has been many years since I testified in front of our late friend of aviation, Senator Rand. I spoke about an abandoned, yet still existing, runway in Canada, which saved all of the lives on an Air Canada flight which ran out of fuel. Yet there was no airport in reach of a flamed out, South East Airlines DC-9 when it had to resort to landing on a road, killing as many people on the ground as were saved in the plane.

The fact of the matter is that our network of airports serve the public in more ways than normally perceived. So, in addition to the many uses which were attested to at the hearings in front of the late Senator Rand, I am here today to explore the enhancement of one of them, and that is Aerial Fire Suppression.

This past summer, we were all witness to the amazing feats of our fire fighting services as they battled large forest

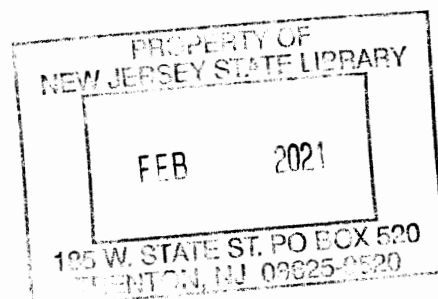
fires on Long Island, New Jersey, and Pennsylvania. During the Battle of Britain, Churchill said, "Never in the course of human events have so many owed so much to so few." Not to be melodramatic, but similar statements could be made of those who battled these fires from the air this summer.

It was the feats of these few pilots that brings me here today to request that we take a long hard look at making it easier, safer, and more cost effective to utilize this technology in a greater number of circumstances. It is my contention that with a little planning and a modest long-term investment that New Jersey airports could play a larger role in suppression of fires of many kinds.

If such a roll was properly publicized, airports would be transformed from the general public's perception of being a place for rich playboys to have fun, create needless noise, and lower property values to that of a resource which could reduce fire insurance rates, save lives and property.

New Jersey pilots could also be educated as additional eyes in the sky to report forest and brush fires to some assigned frequency which police and fire companies could scan. Several years ago, I reported a potential forest fire -- actually it was a forest fire -- through Somerset Airport to the Watchung Fire Department.

If the story of how airports already benefit the public and hopefully how they will even better serve the public in the future were told, we would not see the hostile environment which virtually every airport operator has to live with.



Part of New Jersey's success in our aerial fire fighting efforts is the use of the Ag-Cat type aircraft which can cruise at about 120 miles per hour, which is about 2 miles a minute. Basically, the cost to the State on this, based from what I have been able to derive, is about \$420 an hour. The actual water drop takes place at 60 miles per hour to minimize the breakup of the water into ineffective mist.

Operating out of Blairstown this summer to suppress fires just across the Delaware River into Pennsylvania, they were able to deliver 275 gallons of water at about \$112 per load or about \$.41 per gallon. With two planes, a load was dropped on those fires every 8 minutes. This included a two to three minute refilling period. Needless to say, the cost-effectiveness of this kind of operation depends on the distance from the water source to the fire and back. I am told that New Jersey, using this method, has one of the most cost-effective aerial fire suppression systems in existence.

Part of this is because of the versatility of the equipment which can be converted from crop spraying mode to a fire suppression mode in about an hour. This allows the cost of this equipment to be amortized over both kinds of operations. Although helicopters have been used for dropping water on fires, the operational costs of such equipment is prohibitive. Helicopters have the advantage of being able to snatch water out of swimming pools, lakes, rivers but require much more maintenance, burn more fuel, are slower, and carry less payload. When used to evacuate injured people to hospitals, obviously, these drawbacks are less of an issue.

It should be pointed out, also, that the AG-CAT is developing a skimming concept which would allow reservoirs to refill aircraft on the fly. However, this technique is far from being perfected.

For Northern New Jersey, a typical mission would originate from Andover Airport to a fire and then refilling at the closest participating airport. This entails coordinating with typically local, volunteer fire departments to supply water via tankers and pumpers to the aircraft. Response time is not as big of an issue as one might think, because the fire company has the time between the plane leaving from, let's say, Andover to the first drop and then to the assigned airport to get things in order. However, depending on the time of day, the day of the week, and the availability of equipment, there is no guarantee as to when the plane can make its second drop.

In the case of Blairstown's and, I believe, Somerset's usage, this was accomplished by the utilization of local ponds. I do know that Fire Chief Jack Reeves, of Union Hook and Ladder Company in Far Hills, who participated in this event, praised the effectiveness of aircraft flying out of Somerset Airport in possibly saving some condominiums which a brush fire threatened.

The point I would like to mention is that with the proper user-friendly water resources in place, a greater use of such aircraft could be justified. This in turn could reduce the hourly cost of such aircraft and offer more aviation related jobs. It should be noted, too, that these pilots are extremely experienced and have considerable time in tail dragger and banner towing time, too.

An additional spin-off could be reduced fire insurance rates for high risk communities near airports. In fact, I foresee municipalities allocating tax revenues to have ready access to such aircraft to battle fires which are not normally in the jurisdiction of the New Jersey Forestry Service. Being that New Jersey is serviced with volunteer fire companies, such a resource could play a greater role in controlling brush fires or even industrial fires.

Although there is an emergency plan to supply water to refill such aircraft with local fire fighting resources, it would seem logical that by having in place actual water resources that fire fighting equipment and personnel could be freed up to actually fight the fire directly and not be relegated to basically filling up a hopper in an aircraft.

The ideal situation would be to have fire hydrants on premise which could be accessed by airport personnel, police, municipal workers, or even the fire fighting pilot. In Morris County, there are only two airports: Morristown Airport and Lincoln Park. Morristown has hydrants on the premises, and Lincoln Park has some across the street from the airport. In simple terms, if Lincoln Park had the water line extended under the street, all the airports in Morris County could make the claim that, in fact, they were "a certified aerial refilling station." What does that mean? Currently, there is no official term which would categorize an airport as having water resource capabilities.

This is an area where we could lobby to have the FAA set up symbols to signify this capacity on their sectional charts. According to Paul Styger, there exists a fire hydrant

approximately one half mile from Sussex Airport. What would be the worth to have Sussex Airport, which can handle B-17s, with such a water resource 365 days a year? It would seem that if the State, county, or township paid for such an extension that all the fire insurance premiums that those would benefit could go to pay for such an extension until it was paid off.

We do know that stand-alone 10,000-gallon water tanks with a choice of pumps would cost about \$30,000. However, they would not be useful during freezing weather. But that figure does give you a number to deal with. For about \$1.8 million every airport in New Jersey could have one. When you deduct those airports that already have fire hydrants and those that could and those airports that are acting as fire base stations already, that figure declines appreciably.

Airports such as Newton, Somerset, and Blairstown could have permanent pumps and water lines installed from existing ponds and lakes at less than that \$30,000 figure. Trinca rests on the German Flats Aquifer which has water less than 25 feet below the surface.

Unfortunately, in New Jersey we are subject to the realities of freezing weather. So there are seasonal considerations which would limit the practicality and most likely cause the preference of the fire hydrants as the source for refilling stations.

However, the greatest threat from the kind of fire which such aircraft normally combat are during warm weather months when the threat of freezing pipes and water sources is nil. As alluded to earlier, on-site fire hydrants are the

preferred water resource with economic fire insurance rate benefits to those in their proximity.

I am here today not to suggest any specific plan of action, but to hopefully precipitate a mind-set which would be asking local and county planning boards to determine how they could work towards developing water resources to enhance their aerial fire suppression capabilities.

I am here to ask you to look for justification, perhaps to ask for Federal and State resources to match county, local, and even private resources, to enhance these water resources. These water resources could also enhance the viability of agricultural spraying of crops in the northern regions of the State. I'm sure that it would be better to encourage the mixing of such chemicals and storage of such ingredients at an airport as opposed to at some remote location. It is possible that as the chemistry progress gets better that agricultural spraying may be deemed safer and used more in the northern regions.

In closing, I would be remiss if I did not commend Jack Penn and his dedicated staff for their enthusiasm and determination to preserve and enhance New Jersey's aviation resources. In addition, it cannot be overstated how effective the New Jersey State Forestry Service already is in protecting our natural resources around us.

Hopefully, by focusing on the enhancement of water resources at our airports and developing a fire reporting system which New Jersey's pilots can participate in, that New Jersey will become a model for other states to follow. As much as the summer's fire fighting triumphs are fresh in our minds, time is

fleeting, and the sooner we address this issue, the better chance the public will have of accepting its validity.

Aircraft Owners and Pilots Association, the Experimental Aircraft Association, and the Mid-Atlantic Aviation Coalition have all expressed their keen interest in this water resource concept and are willing to keep the aviation community accessed as to what is ultimately achieved here today.

I sincerely thank the Commission for the opportunity to express these concepts to you.

MR. McNAMARA: Thank you very much, Mr. DuPont. Is that a-- Are your prepared comments printed in a form that we could just--

MR. DUPONT: Yes. I have about five copies here.

MR. McNAMARA: All right, we have received, I guess, these copies.

MR. DUPONT: That's one.

MR. McNAMARA: Okay. If you would please just deliver them to the reporter. (witness complies)

Are there any questions for Mr. DuPont?

Mr. Yudin.

MR. YUDIN: Bob Yudin.

Just go over with me the format, you would have two aircraft stationed where?

MR. DUPONT: The aircraft are already stationed during the fire season. The exact dates, sir, are not exactly--

MR. YUDIN: Let's say in Bergen County or Sussex County.

MR. DUPONT: Well, right now there are aircraft stationed in South Jersey, and up in our region here, Andover is the site that they use.

MR. YUDIN: So the plan is to what, you bring two aircraft in?

MR. DUPONT: Well they have -- I think they keep up to four. I'm not to sure about the numbers of them. The point is that they dispatch them from Andover to wherever they are going to fight the fire, and then they have to find the closest--

MR. YUDIN: Water source.

MR. DUPONT: --water supply.

MR. YUDIN: Now these aircraft, what is their capacity as far as water?

MR. DUPONT: Two hundred and seventy-five gallons.

MR. YUDIN: Two hundred and seventy-five gallons.

MR. DUPONT: Right.

MR. YUDIN: What is the average turnaround? In other words, the aircraft come into the airport and let's say they start flying their missions, they take off. How much time is needed before they come back for refilling?

MR. DUPONT: Well, like I stated, it all depends on the distance from the airport they are going to be ultimately using to where they have a fire. You're talking two miles a minute, obviously if they accelerate to that speed, and when they come in for the drop, they have to decelerate to about 60 miles an hour. It takes about two and a half minutes to fill up the hopper with the proper water source.

MR. YUDIN: Okay. Now, you said they carry 275 gallons. So if the average pumper carries 500 gallons, the

average pumper carries maybe 1000 feet of two-and-a-half-inch linear, maybe 1000 feet of three-inch line. So if there is a hydrant within 1000 feet of the airport, that pumper can lay that line so that you put a shutoff valve on that line and you have the water source right there. If it's more than 1000 feet, you might have to put a pumper in between to pick the water up and then pump it the additional 1000 feet. So you're running 2000 feet.

Now, if you're not close to a water source, you're either working out of a hydrant or you're drafting out of a pond. If a pumper is carrying 500 gallons, that would be not quite two fills. So if there is enough time, with a minimum amount of pumpers and a minimum amount of manpower, you can keep the aircraft so that, when the aircraft lands, there would be a water source there to immediately fill them.

About 90 percent of our firefighters in New Jersey are volunteer firefighters. If it weren't for the volunteer fire service, New Jersey would have great problems in the fire service industry. Just for your information, I have been a firefighter for 25 years. I'm a former chief in my town. What I'm trying to get at is I'm very sensitive to expenditure of tax dollars. To get any kind of a program through, we have to be very sensitive to the kinds of moneys we're asking.

If we could put something in place through preplanning with volunteer firefighters that will not cost money, I think that's something we should seriously look at. Depending on the situation, where the hydrants are, you can literally run a pumper with 500 gallons of water or 750 gallons of water with just one man and one pumper. Most of these fire departments

have mutual aid associations. They all work together. If there is a serious fire in an area, it is not very difficult to very quickly bring in whatever pumpers you want to bring in to have the water there at the airport for the aircraft as they come in.

I would think that is something that we should seriously look at. That kind of preplanning before we recommend expenditures of large sums of money for having water towers and pumping operations put at each airport. Now, of course, if it is an airport that doesn't have that kind of service available, we should consider it, but I would just put out there that there are some substantial alternatives through the volunteer fire service that we can use through preplanning to have the water there when these incidents occur.

I wanted to ask you another question. Is it just water that you are using or are you putting in any additives?

MR. DUPONT: Basically it-- Basically, at low velocities of 60 miles per hour, additives are not necessary. Where they use the big aircraft they have to put the additives in, otherwise they get the misting of the product.

MR. YUDIN: Do you know of any airports in New Jersey where the water sources are really substantial distances away -- three miles, four miles, five miles -- where, even with this kind of setup that I'm talking about, it would be difficult to have the water at the airport as the aircraft come in to be refilled?

MR. DUPONT: That is something that I am trying to determine as to basically a survey of where these water resources are. I would like to point out that the Forestry Service has done their homework. They have done as you have

suggested they should do, in that they do have airports designated. They have coordination with the fire companies, but you have to understand what you're talking about. These are fire companies supporting fires that have nothing to do -- these are volunteers that their time has value, too.

The other aspect is you're not talking a totally known commodity, depending on when such a call could take place. So consequently, yes, in certain areas it would not be cost effective. I gave the figure of \$30,000 on a tank set up just to illustrate that there is a number here that in a sense would accomplish total coverage. Now, any additional coverage, that is, any enhancements, is going to be better than what we have now.

I just think that from the standpoint of an airport's value to the community, an airport's value to the community is to be able to supply water on demand to these fire fighting services and, ultimately, have them used more often so it isn't a major undertaking to run trucks and have a lot of coordinated effort, which most times I assume works. If it's a long extended fire, as in the case of Blairstown-- They were fighting that for several days, so obviously, in that situation, no matter how slow the start-up was they were able to sustain the operations.

MR. McNAMARA: Are there other questions?

DR. TELLING: Mr. DuPont, I appreciate your bringing this aspect of the role and utilization of airports to the Commission's attention. For myself, it was certainly educational. I would just like to make certain, building off

some of the questions that were just asked, that I understand some of your proposals correctly.

One, if I'm not mistaken, there is nothing in any of your testimony that suggests that you wouldn't encourage and be in support of the most active kind of cooperation that exists with the local volunteer fire fighting organizations wherever that is feasible, pumpers and facilities being available. That's correct?

MR. DUPONT: That is absolutely correct.

DR. TELLING: Secondly, and I understand that one of the notions that you put forward was that indeed could be an enhancement if they're worried-- From FAA or perhaps even New Jersey Division of Aeronautics, call to attention the fact that airports have the potential to support fire fighting capabilities simply by having water available easily to be refilled. So the sheer designation of airports and some attention to it might have a beneficial affect in raising the visibility and role of airports and, indeed, the opportunity to avail themselves of the equipment in the event that it is needed.

MR. DUPONT: I would say so.

DR. TELLING: Beyond that was a third idea I heard that indeed, as you go through the survey, there are some number of airports that may have fire lines already laid reasonably close to the facilities but have not, at this point, been tapped in or connected. That indeed sounds like it's a third area to explore as a local community option. That really is up to them to take up or not as they would see fit.

MR. DUPONT: This is true. One of the things I am still waiting to get some information on is the benefit to the community, in terms of having this capability in effect, as far as a fire insurance reduction rate. Up at Lincoln Park, we're talking about having a fire hydrant across the street from the airport where, if it was used for this purpose -- not that it has been in recent history, but if it were to be used -- you would be talking basically stopping traffic, having police there, supervising, making it a major production. When, if it was just on the other side of the street, anybody in the airport with proper credentials could activate and with a proper adapter fill up a plane.

I'm sure there are other instances in New Jersey where fire hydrants are within close proximity, where you don't have to make a major production out of filling up a hopper of a plane.

DR. TELLING: For myself, again, I thank you. It sounds like at least three or four of the ideas you have already put forward are all in a sense informational in orientation. May cost-- As all of us would like to husband the limited resources of the taxpayers of New Jersey, that they all strike me as having a chance to be beneficial to both the community's understanding of what we can do and potentially reducing the risk of fire.

As you proceed with your study, I would hope that you could keep the Commission apprised, because if there are some economic returns that we could document, that might just encourage communities to take an even more active interest. So it sounds like you have a number of things that are to be

considered that are much more volunteer and wouldn't require a lot of taxpayer money even before you get to the question of looking for matching funds and so on to encourage this. I appreciate that.

MR. McNAMARA: Mr. DuPont, are you a firefighter yourself?

MR. DUPONT: No, I'm not. Basically, the information I gleaned was talking to various sources. Basically I'm a private pilot who has seen an attrition of airports. I've been to many township meetings, and it seems that when an airport does come up and do something, provide a service as it has done this past summer -- whether it is Somerset, I understand Solberg has contributed to this fire suppression, Blairstown was very visible -- that there is very little documentation of this. There is very little left over after it's done and they have done their work and they've gone home. It's just like nothing ever happened. I think that when you see what takes place at these township meetings and what the airport operators are up against, that this would be a real feather in their cap.

If, in fact, the State would recognize these airports as fire fighting refilling stations with a nice little sign, that basically would give them a number. If they meet the requirements, and it's up to the airports that come up with the wherewithal at this point, but I think that ultimately there could be some advantages from a fire insurance aspect of having a hydrant.

I think running a hydrant-- I don't know what the cost is right now for running it a quarter mile or even a half mile up in the case of Sussex. But, for instance, Sussex

Airport is a beautiful strip; it can take some heavy aircraft if necessary. It's up where High Point-- There are a lot of forests up there. It seems to me that would be something, with very little effort, you could have a major fire fighting resource right there.

MR. McNAMARA: It seems an excellent utilization of some of the extra land that is available at airports in the State. Certainly it mirrors greatly the public safety.

We want to thank you very much, sir, for taking the time today to come down here and make us aware of this.

Jack Elliott.

MR. ELLIOTT: Joe, I wondered if you had any statistics as to the number of brush fires and forest fires in New Jersey annually where your system could be a real asset? It would be a valuable statistic for you to have.

MR. DUPONT: I am in the process of trying to get that. I did have some numbers. The number of missions that they fly out of Andover is something which is supposed to be public record, which I'm trying to get a hold of right now. One of the things that is surprising is that even in our Township of Long Hill, where I live, that at the Hicks Tract, supposedly--

MR. McNAMARA: Excuse me, let me just interrupt for one second. Is that by way of saying that you are having difficulty getting those statistics?

MR. DUPONT: I don't want to go that far. Basically this is not a high priority, this is just a conceptual situation. I will-- I'm very encouraged with what I am hearing here today, and I will spend the time necessary to get that information for you folks.

What I was saying, though, that the use of these types of aircraft were even used in my own town, and I had no knowledge of it as a resident of my town. They basically-- We have a precious area in our town called the Hicks Tract, which has some beautiful pine trees, and they were called in and supposedly, and I haven't seen any documentation on this, but supposedly put out this fire before it would have taken out probably the last pristine forest that we have in Long Hill Township. So I think that from a standpoint of PR that there is a lot that the aviation community can do.

I'm involved with the New Jersey Aviation Educational Council, I guess it is, and they have really no budget. I think they have a budget of like \$1000 a year. Basically that is, they get into the schools. They are very, very, very-- They are going a long way in terms of getting the call of aviation to the students. I think there is a lot of low-cost avenues where, if in fact this is what you want to accomplish, that it's available.

MR. McNAMARA: Mr. Yudin.

MR. YUDIN: I was just going to say that each fire department is required to keep a record of every response, every fire. That information I'm sure you can get. I believe they are also required to file them with the State. So if I can be of any assistance in that, in trying to secure that information for you, contact me. I'm delighted to try and help you.

MR. DUPONT: I sure will.

MR. McNAMARA: That is just exactly, in fact, what I was going to suggest, Bob, if you would undertake that

responsibility. Mr. DuPont, if you would correspond with Mr. Yudin.

First of all, any additional information you would like to submit in writing, I'd like you to address it to me and copy Mr. Yudin on it.

Secondly, if you have any need for the assistance of this Commission in securing any information, if you would contact Mr. Yudin, and you and I can discuss it. We can help you. Actually, it would be helping ourselves securing that information. It will all be very interesting to us.

Once again, thank you very much, sir.

Is Mr. Michaud here?

R O B E R T M I C H A U D: Yes. (pushing microphone away)

MR. McNAMARA: Mr. Michaud, I think it's the other, the long-necked one. One of them, I think, goes to the record, and one of them goes to the PA system.

MR. MICHARD: Speak into both of them?

MR. McNAMARA: Do you have a red light on?

MR. MICHAUD: Yes. I have two red buttons.

MR. McNAMARA: There you go. Now, Mr. Michaud, do you swear that the testimony you are about to give this Commission is true under penalties of perjury?

MR. MICHAUD: Yes, I do.

MR. McNAMARA: Would you please introduce yourself, sir, and tell us your history.

I'll give you a brief introduction. Mr. Michaud is with McFarland Johnson Airport Engineers. He was, I believe I'm correct in saying, you were for 25 years the Director of Aviation Planning and Development for the State of New York.

You are cognizant in your present profession of certain problems that we have here in the State of New Jersey that duplicate problems that you had and solved in New York. You're here to tell us how.

MR. MICHAUD: That pretty much sums it up.

MR. McNAMARA: Thank you.

MR. MICHAUD: If you'll bear with me while I read through what I had prepared for the record. I didn't know for sure whether I would be here personally. I will unfortunately repeat some of the things you just mentioned, if you don't mind, so I don't get loused up?

MR. McNAMARA: Please go right ahead.

MR. MICHAUD: My name is Bob Michaud of McFarland Johnson, Inc., with headquarters in Binghamton, New York and with offices also in Woodbridge, New Jersey. McFarland Johnson is a member of Aero New Jersey, and it is on behalf of that organization that I offer this testimony.

A few words about my background: Prior to joining the McFarland Johnson firm in May of 1995, I spent some 25 years with New York's DOT Aviation Offices where I was the Director of Aviation Planning and Development for New York's 85 or so grant-eligible airports. That excluded the two airports that the state owned outright, plus JFK and LaGuardia. In that job, my main responsibility was running the grant programs. Prior to my joining the state, I spent over 12 years with the FAA in their Airway Facilities Division.

The comments and observations I'm about to offer are from that New York perspective. However, this should not be interpreted as an opinion that things are necessarily better in

New York. In fact, at the moment, they aren't nearly as good as here in New Jersey, overall. The very fact that this Commission has been formed is a most positive step about which most of New York's general aviation airports would be envious.

I'm only now getting to know the New Jersey airports and the State's programs. Consequently, please bear with me if my reading of the situation isn't totally on the mark. I'm aware that your Committee is interested in knowing what some other states are doing in their aviation programs in general and their general aviation in particular. I, of course, can no longer speak for New York State, I can only share with you what occurred while I was there.

I plan to first run down a list of some program differences and similarities, which may be of interest to you. Secondly, I'll discuss a few of the burning issues regarding GA airports and what we in state government did, or tried to do, about them.

Some program differences and similarities: New Jersey licenses airports, New York does not. New Jersey has Airport Safety Zoning, New York does not. New York has no aviation fuel tax, per se, like New Jersey, which I understand, funds certain programs and administrative costs. Instead, New York taxes petroleum suppliers through what is called a Petroleum Business Tax through a complicated formula which recently was targeted to fund mostly highway and transit programs and distribute something into the general fund, besides.

In 1993, \$10 million of that was earmarked for a Special Aviation Transportation Program called the SATP, which I'll cover later in more detail. Due to some very recent

legislative action, the taxing formula was revised to ease some of the burden from aviation fuelers. As a result, the pump prices have been lowered by some 15 cents a gallon within the last six months. Those airport operators near the New York border are probably well aware of that.

New York owns two airports outright: Stewart Airport, in Newburgh, and Republic Airport, in Farmingdale.

New York has funded 75 percent of the nonfederal share of virtually all federally funded projects, excluding Kennedy and LaGuardia, until 1992, at which time it was reduced to 50 percent. That consumes some \$4 million to \$7 million per year.

Except for some residual bond funding from the 1970s and 1980s and the special transportation program funding mentioned above which comes from petroleum business tax, all costs of the programs, net of revenues, are covered by the general fund.

In New York, in order for state grant funds to flow to an airport project, public or private, an official local government endorsement of the project is required. I understand that no such endorsement is required here in New Jersey.

In the case of a privately owned airport, the local government with jurisdiction may block major development, regardless of funding sources, through Section 249 of the New York General Business law.

New York is not a block grant state like New Jersey and, thus far, has not applied for such status. It's questionable whether such a move would be supported by the airport constituency represented, in part, by the New York Airport Management Association, called NYAMA.

New York, like New Jersey, has no programs for granting property tax relief to private airport owners. The subject has been talked about for years, but nothing has ever come of it.

New York has completed an Economic Benefits of Aviation Study and an accompanying video which has been a resounding success. I understand that New Jersey is doing likewise. I suggest that if New Jersey isn't already planning to do so, that they also do a video. That has been the most successful component of the study.

New York has completed a statewide Aviation Forecasting Study to assure that individual airport forecasts have been developed on a consistent basis and that aviation activity will not be double counted. That study, based on prerecession data, needs updating, however.

The first issue I will talk about is the loss of airports and the need to preserve airports. Although many reasons can be cited as to why we're losing airports nationwide, the resounding reason seems to be just plain old economics and the fact that there are simply more profitable uses of the land in many cases. In addition, spreading residential development with its associated environmental conflicts has certainly exacerbated this problem.

The most vulnerable or endangered category of these airports has been the privately owned/public-use group as opposed to those publicly owned. The reasons for this are rather obvious. First of all, the latter group has the ability to receive taxpayer subsidy, albeit reluctantly.

Secondly, the Federal government has contributed to this dilemma over the years through its long-standing policy of favoring the development and preservation of airports publicly owned at the expense of their privately owned competitors that also contribute to the Airport Trust Fund, provide jobs, etcetera.

Prior to the Airport and Airway Development Act of 1982, all privately owned/public-use airports were, by law, categorically denied the right to compete for FAA grants. That particular bill, for the first time, allowed a small, select group of privately owned/public-use airports to also compete if they qualified under FAA's strict reliever criteria. Very few did qualify initially, leaving the great majority of privately owned/public-use airports many of them in the NIPIAS -- that's the FAA planning document -- leaving them still locked out, so that it was still not a very level playing field.

Although we always encouraged public, local government takeover of these privately owned facilities, especially when they were under threat of closure, that seldom worked, and it was usually quite expensive to the funding agencies when it did work. Furthermore, that was a slow, deliberate process which did not allow prompt intervention when that was needed.

After helplessly watching a number of these facilities close before our eyes with little likelihood of new replacements being built, we started to recognize this category of airport as an endangered species worthy of special attention and prompt action.

The then recently passed private reliever program presented an irresistible opportunity to try and address this

preservation problem and also level the playing field for all GA airports at the same time. We did so by first establishing clear policy in the New York Transportation Master Plan of 1987 -- copy of relevant pages attached to submittal -- which, in essence, endorsed the notion of pursuing a state GA airport preservation program as part of the Federal GA reliever program. The key policy statement on page such and such is, "Qualify as many privately owned/public-use facilities as possible for Federal funding. This would provide another option for preserving airports."

At the time, there was strong support for this notion within the FAA hierarchy, and they agreed to employ a provision of the reliever designation rules which permits a particular state to designate relievers as part of its state system plan without necessarily adhering to the FAA prescribed criteria for designation.

Under the leadership of New York's Regional Planning Agencies, a three-part committee was formed consisting of the FAA, New York DOT, and themselves for the purpose of developing a New York State criteria for designating GA reliever airports based on the principle that they all provided relief in varying degrees to the entire system of commercial service airports. The eventual outcome of this effort was that 25 privately owned/public-use airports were so designated which allowed them, for the first time, to compete for Federal aid if they so chose.

As a result, 21 of those have thus far applied for and received funding for planning studies, and nine of them, at last count, have successfully secured capital grants with more in the pipeline. From a government perspective, these airports

accepting capital grants have been preserved for at least 20 years.

There was the understandable apprehension of airport owners to grant the 20-year assurance; however, as more of them sought legal advice and shared information, their collective comfort level evidently increased.

Although many FAA grants were offered and accepted and many legitimate planning and capital needs thereby met, the reliever designation, in and of itself, was never intended to be a commitment to fund or accept funds by either party. It was merely intended to allow, not require, the FAA/State to readily offer grants for the purpose of rescuing an airport that was about to close. As it turned out, however, this class of public airport was soon found to have far greater needs, in general, than did its publicly owned counterparts, surprise, surprise. Consequently, their grant applications were very competitive, and the money flowed accordingly to the tune of over \$7 million.

An additional benefit of the reliever designation is that, even without a 20-year assurance, a possible future buyer could be induced to continue it as an airport because of its potential to receive Federal aid.

Pursuing the above policy sometimes flew in the face of traditional system planning principles and, as a result, encountered pockets of resistance and still does. However, providing an option to save airports served the higher calling and, therefore, was found to be justified by both New York and the FAA.

In the last seven years or so, since the above program was enacted, I'm aware of only one privately owned/public-use

airport that has closed in New York. That's Ramapo Valley, and that was at the very beginning of the period before things really got organized. I contend that this program has stemmed the tide of closings in New York and, without it, a number of them would have otherwise succumbed to the relentless economic pressures that they must endure. I'm aware that New Jersey also has a number of privately owned airports that have been designated relievers; however, perhaps there are others that fall in this category that could also benefit from a similar initiative.

The above initiative, if advanced today, would not have the same degree of success at all due to the negative environment that has since developed around the reliever issue resulting in a reduced funding set aside and threats to further dismantle the program.

To those who say that this negative environment was caused by an alleged over designation in New York and possibly to a lesser degree in New Jersey, I'd refer to the GA report, RCED-94-226, which indicated that their negative findings were based mostly on detailed reviews of the reliever programs in five of the FAA's nine Regions. Our own Eastern Region was not one of them.

Furthermore, said report cites the lack of need, in general, of more GA capacity. That seems to be a current state snapshot which needs to be balanced against the proven reality that GA capacity, lost in the meantime, is essentially not replenishable for the longer term, in other words, again the endangered species effect.

Although the reliever program funding level has been diminished and FAA attitudes possibly poisoned in that regard, there is still justification to press FAA and Congress to recognize the program's unintended but significant side benefits, that is, of preserving airports, in general, and in reversing some of the institutionalized discriminatory practices, as another.

However, many of the gains already attained from this effort could be lost retroactively if the "reliever bashers" prevail and dedesignation or some other dismantling actions occur, as has been rumored.

A second issue: GA airports most critical need for survival and how our new state funding program provides opportunity to take a clean sheet approach in addressing those needs.

For many years, we witnessed the traditional FAA and state matching grant programs fund numerous safety related projects and construction/rehabilitation of the so-called nonrevenue producing parts of airports, like runways, taxiways, etcetera.

Over the years, this has caused a very unbalanced condition whereby many airports have several safety aids, sound pavements, and lighting systems, yet they often have insufficient or inadequate hangaring facilities, leaking or outdated fueling facilities, and more often than not, a teetering balance sheet or operating statement.

We, in New York, vowed that if we ever got a state funding program that allowed us to go beyond simply matching FAA grants that we would attempt to correct that imbalance. That

happened in 1993, in the form of a \$10 million, four-year program called the Special Transportation Aviation Program, which I mentioned earlier. In that case, we received concurrence to design it around economic objectives, as opposed to safety and capacity objectives, which we contended to be FAA's charge in administering their grant program.

Some of the key principles of the program were then determined to be:

- * That the projects contribute toward the financial stability of the airport and the jobs/economic development of its service area.

- * That the money not generally be used for conventional, federally eligible projects on the theory that those projects would eventually receive that funding at 90 percent. However, if it was deemed that such a project would not likely receive such Federal funding within five years, then it could be eligible for this program.

- * That the program target those type of capital projects that have been traditionally ineligible for Federal funding because they were considered revenue producing, while giving special notice to those airports that were looking to close because of insufficient revenues versus expenses.

- * In this program, all revenues derived from a facility funded through this program must cover direct expenses first and otherwise contribute to an operating/capital reserve account, that is, stay on the airport.

As a result, projects were funded at 100 percent state funding at 38 airports. I'm attaching a recent status report of that program which includes a list of the projects, the

recipient airports, and the state grant amount. You'll note a preponderance of new T-hangar projects, rehabilitation of existing hangars, fueling facilities and the like, mostly at GA airports, on the theory that these state funds should directly facilitate revenue enhancement, in other words, provide seed money to help themselves right now.

I understand that New Jersey could soon be getting a program similar to what New York got two years ago and, like New York, has the opportunity to consider new innovative objectives for that program. I offer the New York story should it be of any help in structuring New Jersey's programs.

A third and somewhat lesser issue is, the adequacy of airport signing roads and highways. This was a most gratifying and low-cost program which emanated from numerous complaints over the years that one couldn't find out airports from the ground. Although this pertained mostly to the smaller GA airports, it also pertained to the GA portions, in other words, the FBO areas at some of the air carrier airports.

An example of this is Syracuse, where the interstate runs right by the front door of the terminal. The FBO area is in the back end of the terminal which you just can't find. As a result of that, some 60 new signs were developed at our airports, in general to help guide the public to New York's airports. We also learned a little lesson from that exercise that you should not put an emblem of a Boeing 707 pointing you to a GA airport. It just sends the wrong message and tends to get you in trouble.

Those are the remarks I have at this time. I do appreciate the opportunity to provide this testimony to your

Commission. I also appreciate the support and indulgence of my employer, McFarland Johnson, Inc., in allowing me to do so.

I would be happy to answer or attempt to answer any questions that the Commission may have now or in the future.

MR. McNAMARA: Are there questions for Mr. Michaud?
Mrs. Nagle.

MS. NAGLE: The special transportation fund that you referred to, the four-year program of \$10 million, you said that New York gave 100 percent state funding. Is that alone or was that a grant?

MR. MICHAUD: That was a grant.

MR. McNAMARA: I have a question. You had mentioned a video, the video that was the most successful component of the study.

MR. MICHAUD: Yes.

MR. McNAMARA: Would you please tell us about that video, tell us how it was used? Is that part of a promotional program?

MR. MICHAUD: Well, it was developed as part of the study AFRAE (phonetic spelling) funded through the FAA grant process. It is used, yes, definitely--

MR. McNAMARA: Say again. It was developed as a private airport study, you said?

MR. MICHAUD: Oh no, it was developed to more or less to display video and video fashion the state's economic benefits study.

MR. McNAMARA: Oh, I see.

MR. MICHAUD: I guess I did not make that clear.

MR. McNAMARA: Okay, I understand it now. Is that the only video that you were talking about in your remarks?

MR. MICHAUD: Yes, that's the only one.

MR. McNAMARA: Are there other questions?

Mr. Yudin.

MR. YUDIN: Again, the money that you were just asked about, you said that was a grant. Did that come from bonding or did that come just out of part of an annual budget from the state?

MR. MICHAUD: Well, it did not come from the general fund. It was first intended to come from the Petroleum Business Tax, but I understand that because it was such a small amount in relation to the entire amount that they just decided to fund it out of bonding. That bonding was the New York's freeway bonding, which was enacted to fund the state highway program.

MR. YUDIN: Thank you.

MR. McNAMARA: There being no other questions, we would like to thank you and thank McFarland Johnson for allowing you to come here today. It's a great service to us and gives us some good ideas of areas to avoid and areas to investigate.

Thank you very much.

DR. TELLING: If I could, Jack. I'd just like to reinforce, at least for myself, one of the reason I have so few questions is because the extent of Mr. Michaud's testimony took care of a good number of them. I would actually like to study it, then perhaps we could take him up on his offer to get back to him.

MR. McNAMARA: Yes, Mr. Michaud, are you going to leave a copy of your prepared remarks with the recorder?

MR. MICHAUD: Yes, I can.

MR. McNAMARA: If you would, that then could be made part of our record. That will be distributed to all of us when the record is distributed.

Is Mr. Solberg here? (affirmative response)

We come to a regrettable moment, because, in an effort to maintain our or at least observe the rules that might effect this Commission under considerations of conflict of interest, Mr. Solberg being here to testify on behalf of the Solberg Airport, in which Mrs. Nagle is a partner, Mrs. Nagle will have to absent herself not just from the Commission, but from the room. This is something we regret, but it is appropriate. (commission member complies) Thank you, Mrs. Nagle.

Mr. Solberg, do you--

T H O R S O L B E R G: I'm just watching my luggage. Talking about knowing what's in the baggage compartment. (laughter)

MR. McNAMARA: Do you swear that the testimony you are about to give to this Commission is true under penalties of perjury?

MR. SOLBERG: I do.

MR. McNAMARA: Mr. Solberg, as I already said, is the owner of Solberg Airport, and he is here to talk to us about the experiences of being an owner of an airport. Go ahead, Mr. Solberg.

MR. SOLBERG: Perhaps, if I could just take a moment to give you some small history of myself and the airport, it would be a benefit as you listen to what I have to say and put it in some kind of perspective at least.

Mrs. Nagle is my sister. In addition to Mrs. Nagle, Susie, there is also another sister Lorraine, and myself. The three of us being the children of my father, Thor Solberg, and my mother, Lorraine. My father came to this country as a Norwegian immigrant in the late 1920s with the burning desire to fly airplanes. The specific goal of being the first pilot to fly from the United States to Norway.

That was his goal, his dream. He came to this country to fulfill that goal. He did it by settling in Brooklyn, starting a small business, buying an airplane, learning to fly, and ultimately financing and provisioning a flight across the North Atlantic to become the first pilot to reach Norway from the United States in 1935.

It wasn't without some sacrifice, however. He first tried that flight in 1932, and because of the frailty of engines at that time and carburetor icing, he was forced to ditch off the coast of Newfoundland, and the airplane was lost at sea. He was smarter this next time. He bought an Amphibian and knew that he wouldn't have a problem. Of course, the engine ran perfectly and was successful in the flight. It opened up a whole new vision to him in terms of what aviation was going to mean to the future of our country.

MR. McNAMARA: Let me just interrupt for one second.

MR. SOLBERG: Sure.

MR. McNAMARA: I'm somewhat familiar with this story, and I think it's appropriate for the Commission to know. Mr. Solberg's second flight was not done just to be the first aviator to fly from the United States to Norway in order to

carry the first airmail, which I think was carried on that flight between the United States and Norway.

Mr. Solberg, having come out of Europe, having come away from the growing shadow of Nazi Germany, had a fear that Nazi Germany could go into the North Atlantic, into Greenland especially, and establish bases and conduct direct bombing raids on Chicago, Boston, New York City, and Washington, D.C. After he made his flight and proved his theory, thereby he went and he met with President Roosevelt.

He covered his thesis with President Roosevelt. President Roosevelt sent the Department of the Army up to Greenland, and in fact, they did find Nazi German installations there which included radio equipment for assisting the navigation of aircraft. I believe Mr. Solberg was awarded a citation from the President of the United States, citing him as a "great American."

MR. SOLBERG: That's correct. It was a great thrill for my father, of course.

MR. McNAMARA: Sorry for interrupting, but I think that's something that was worth recounting.

MR. SOLBERG: Thank you, Jack.

Having returned from that flight and being convinced of the utility of airplanes and their purpose, he, like many others who were in the Bayridge section of Brooklyn, spent a lot of time in the Jersey area on the weekends and looked to find a place to build an airport to be a part of this. In 1939, he bought his first farm and from that he bought several other farms and put together what is now the Solberg Airport in Readington Township, Hunterdon County.

The first hangar building erected there was the steel shell from the Florida building at the 1939 New York's World's Fair. He took down the steel and re-erected it in Jersey as a hangar. That building has since been destroyed by fire, but has been replaced by another.

His entire goal was to really try to build a little transportation system. He took everything in terms of his financial resources and put it back into the airport. By buying land and expanding its size to try and build a central transportation resource, which included not only airports but also rail and highway, he tried to assemble land from the Route 22 down across the Jersey Central Railroad and right to the airport itself.

Unfortunately, there were enormous capital costs in such a venture and the only method that was available to pay these costs were other business activities which he was involved in, primarily the sale of aviation supplies and aircraft overseas, as an exporter to Iceland, Greenland, also Norway, and Sweden. He was responsible for the sale of all the Cessna aircraft from after the war in 1945 until his death in 1967. All that money went back to putting that stuff together.

I was born a little over 50 years ago, and I've spent 50 years at the Solberg Airport, starting as a child to work there and, since my graduation in 1965 from college, I've been the manager. So for the last 30 years I've been involved in the management there.

I would just like to share with you some of my recollections over those last 35 years, 40 years of being part of that operation both as a child and as a grown-up.

In the early 1960s, the enormous costs of carrying mortgages, interest costs put a tremendous strain on the facility. Actually, we almost lost the airport as a resource because of a mortgage foreclosure. I can remember it well. It's something a child never forgets, I think, when he sits with his father and sees tears come down his father's eyes as he thinks that everything he has done in his life is going to disappear, because the next morning is the tax sale -- not the tax sale, the Sheriff's sale for mortgage foreclosure.

Everything that he had worked for was about to be lost. I think his sadness was not just for the personal failure that was involved, but also for what resource was about to be lost. Luckily, one of his business friends in Norway did send money at the last minute, and we were able to save the foreclosure just moments before the actual sheriff's sale.

Again, we were many times up for real estate tax sales. The problem, of course, was the revenue that was generated by the airport was never sufficient to provide any surplus whatsoever that would carry you through the cyclical nature of the aviation business. Luckily we were able to survive these at the last minute.

When my father died in 1967, we were presented with another problem, that of estate and inheritance taxes. The Federal government, at that time, treated the estates the same way that they treat any other business, without recognition of the fact that there are no liquid assets involved, just plain, old real estate. To them, that's the same as cash, and they expect their cash as quickly.

Those kinds of Federal laws have changed somewhat; however, I'm not quite sure that the New Jersey Inheritance Tax has changed to recognize the closely held family business that has not cash, but just raw land as assets.

This brings you to the similarity of between the farms that we have here in New Jersey and around the world to the airports themselves. We're involved with very high capital costs, capital intensive business with the land costs, especially in New Jersey, and very little revenue with which to cover those costs.

One of these things that this Commission might look into is how the New Jersey Inheritance Tax treats this issue of a farm, as well as an airport, where you are dealing with large capital intensive and very little cash available.

The other issue that I think I'd like to talk about deals with the kind of regulations that privately owned airports are subject to, not so much the kinds as the various arenas from which they come. There seem to be regulations coming from all sources, and it's difficult at best even to recognize all the regulations that you are subject to. I think that just in the arena of pulling together and centralizing the regulations that the DOT might serve a very useful role in the Division of Aeronautics, in terms of trying to pull together all of the regulations that would apply to airports, so that there is sort of a one-stop service in terms of this regulation activity.

The other program, which Jack Olcott sort of alluded to, that I think is quite important here in New Jersey is some sort of an educational advocacy program. One of the serious problems that I think all airports in New Jersey have is the

of the public and the perception of the local politician as to the value of the airport in the community and its role in the community.

As an airport operator, I suppose, as a class, we are in a way guilty of not putting forward that information. But I submit to you it's not all as easy as it may seem. I've tried to explain to you that the airport business, per se, is difficult at best. It requires an enormous amount of energy and effort just to stay alive and leaves little energy left to be proactive as we should be. That's a help that I think the DOT may be able to provide us.

I don't know whether that presents a conflict of interest. But I think if it's an education program which endeavors to establish to the citizens of New Jersey exactly what the benefit they are receiving from the airport is, that we would be well served, in terms of providing some longevity to our infrastructure.

In the last 30 years that I have been the manager, I have watched about 30 airports close, privately owned/public-use facilities. In trying to analyze why that happened, I think the testimony that I have heard today alludes to it, that it really is a question of economics.

It's a question that is uniquely difficult in New Jersey because we are such a developing and densely populated State that the land values that we have are enormous. If we are to preserve our privately owned/public-use facilities, I think we need to create an economic climate that makes the airport business a viable business, that enables the entrepreneur who is

involved in that business to have a reasonable return on his investment.

Unfortunately, the returns that are available from the operation of the airport will not support the kind of real estate values that we have in New Jersey, of the real estate that is necessary for the operation. So somehow there needs to be a way of compensating the owner of the property for whatever its development right is compared to what its value is as an airport. If that were done either through a transfer of development rights or a purchase of development rights, then you would have good economic incentive for people to remain in the airport business, to stay in the airport business, to invest in the airport business, and to make it flourish.

I'm sure Jack pointed out to you in his business fact book and his survey that they did of businesses in the country that those businesses that use aviation as a business tool are indeed the most successful businesses in the country. They are the ones that have greater productivity per employee, produce greater returns to the shareholders. They're the kinds of companies that, I think, we in New Jersey want to have here in order to provide stability to the jobs and the marketplace that we have in New Jersey.

To do that we need a good general aviation infrastructure. I think that's one of the things that I wish that, perhaps, Jack had hit upon, that, in New Jersey, we are a bit lacking in the kind of infrastructure that we have. Our facilities are not up to the same standards as some of the other states. We need to put into place a program that will enable us to do that.

You've heard, just from the previous testimony, about programs in New York and the use of, perhaps, AIP funding, which is the Federal funding for relievers. That program is really getting washed out. It's dwindling very rapidly, and there is a very real possibility that it may disappear entirely. As discretionary funding in the Federal budget disappears, so will AIP. Unless some alternate form which may be proposed by the American Association of Airport Executives to fund through some PFC level, traditional funding may disappear, and we may be faced with doing it entirely with State funding.

That's something that, I think, we need to look at very seriously. I would, in that light, try to caution the DOT in administering its new trust fund to be very cautious in terms of the applications of those funds to make sure that they are husbanded properly to protect the need for infrastructure development. Because it may indeed end up being the only source that we have available for it.

The advocacy program I think is-- You know perception is I think what has really created most of our problems in New Jersey. It really is that the people of the State, in general, don't understand what the value is that they're receiving, what the benefit of the noise that comes over their head really is. Perception means everything.

I'll just share a small story with you. This goes to what perception really means. I'm a pilot for a major airline and, as such, fly quite a bit overseas. During one of my assignments I was based in London. In order to do that, I needed to have a French visa because we flew to Paris once in a while. We never stayed over there, but the French are kind of

funny; they want you to have a French visa no matter what. I had left for my assignment in London, and the crew scheduling people had discovered that my record didn't show that I had a French visa.

They called my home. My 15-year-old son answered the phone. The woman from crew scheduling was trying to be very serious because she knew, if I didn't have it, they'd have to bring me back to get it. She said, "You have to understand, this is very important. I have to know whether your father has this French visa." My son thought for about half a second, being the young teenager he is, and he said, "I don't know about the French visa, but I'm sure he's got the gold MasterCard." (laughter)

So that's just a story about perception. You see what you see or what you think you see. I think most of our problem here in New Jersey is really one of perception. Because I think the people of this State are responsible. They're good people and they understand their social responsibilities. If they understood the value of the infrastructure that we're trying to preserve and protect, it wouldn't bother them so much that an airplane flew around and made a little bit of noise.

That's basically what I have to say.

MR. McNAMARA: Thank you very much, Mr. Solberg. Are there questions for Mr. Solberg?

Dr. Telling.

DR. TELLING: If I could follow up on a point you raised in your talk, that is, the establishment of a higher level of primacy in the role for either the Department of Transportation or the Division of Aeronautics within it. Could

you expand on that? It was not clear to me whether part of your idea was just in terms of the information sharing role, which I think would obviously be quite valuable in and of itself, or, indeed, whether or not there is any possibility or utility in the Department of Aeronautics actually having a role of authority that might supersede some other departments in exercising or implementing certain existing legislation.

MR. SOLBERG: I think it goes beyond providing simple information. Information is an important thing to us, but even more than information, it's important to be able to deal with a single regulating authority, especially because of the uniqueness of the airport business, especially the privately owned airport business. I might say that I think if it is at all possible, it's important to keep the private ownership of these public facilities, because I think we can get the maximum benefit to the public for the minimum expenditure of public dollars by letting private enterprise do it.

DR. TELLING: Some of those comments and sentiments also happen to align fairly well with some of the tax issues, and ideas that have been put forward in front of the Commission will be explored. If you agree, Mr. Chairman, I would propose that we'll take on a sort of ad hoc tax subcommittee. The question of inheritance taxes which had not been one we looked at before.

MR. McNAMARA: Yes, I do agree. I'd appreciate your volunteering for that.

Are there other questions for Mr. Solberg?

MR. ROWAN: Well, not a question, Jack. It's not a question, but it's my understanding that New Jersey has essentially eliminated inheritance tax from father to son.

MR. SOLBERG: That would be a wonderful thing.

MR. ROWAN: I believe that happened about three years ago.

MR. SOLBERG: Fantastic.

MR. ROWAN: It kept me here.

MR. SOLBERG: Long overdue. (laughter)

MR. PENN: I was on the bill, so I know it.

MR. McNAMARA: Mr. Solberg, you commented that the facilities of the airports in the State of New Jersey are not up to the standards of the airports of other states. Could you tell us more specifically what you meant by that comment?

MR. SOLBERG: It's based on my-- In my role as a pilot for an airline, I've been to every state in the country and I have visited over 1000 different airports. It's my perception of viewing the facilities around the country compared to our own facilities. I think there is a very simple reason for it, and that is, there is no economic justification for making the investment here because you can't get the return on the investment. Other states have been aggressive in providing funding.

We just recently acquired some State funding capability that is significant. In the past we've never had that available to us. I think we're way behind the curve in terms of upgrading our infrastructure here in the State.

MR. McNAMARA: Let me ask you a little differently. If you were going to design the ideal general aviation airport,

what facilities would you like to see added that you don't see added, normally available at New Jersey airports?

MR. SOLBERG: I think we're deficient in our runways, taxiways, and ramp areas.

MR. McNAMARA: Lengths in particular?

MR. SOLBERG: Lengths and surface quality, yes. You could make a good return on the investment in an airport if you're only investing 5 percent of the cost. That's historically how all the airports in the country have been developed because the Federal government has kicked in 90 percent. Normally a matching share of the local area would contribute another 5 percent. So the sponsor himself has a 5 percent investment. With that 5 percent investment, you can make a return that's reasonable in our area of the country.

You can't in other areas of the country where the same infrastructure is required even to serve two airplanes as it is to serve 100. Those airports are not self-sufficient. Even though they only have a 5 percent investment, they are still subsidized through public funding for operating. I don't think that's a problem we have here because the demand is so high.

MR. McNAMARA: What is your feeling about facilities such as terminals or so? Is there a need for terminals at general aviation airports that isn't serviced in New Jersey?

MR. SOLBERG: Certainly. That goes again--

MR. McNAMARA: I mean, I know they're not there. I'm just asking you what your opinion is as to their need.

MR. SOLBERG: The need is an important need, and I think especially as you try to serve the business community as well as the recreational need, there is a greater terminal need

for the business community, of course, than there is for the recreational flyer. But I think it is important that we establish in New Jersey a good network of business aircraft airports, so that we can get our share of those businesses that operate using them.

MR. McNAMARA: Owning Solberg Airport, can you tell us how many aircraft you have based at Solberg Airport?

MR. SOLBERG: There are 100 airplanes there now.

MR. McNAMARA: Of those 100 airplanes, how many of them would be owned or operated in businesses?

MR. SOLBERG: I think that--

MR. McNAMARA: Can you tell us that?

MR. SOLBERG: Yes, it depends how you define their use, but at least 75 percent of them have some business purpose of some sort. I would say half of them have a majority business purpose, maybe 25 percent of them are purely -- absolutely, purely -- business purpose.

MR. McNAMARA: Are there other questions, comments for Mr. Solberg? (no response)

Mr. Solberg, I would like to thank you very much for taking the time to come here today. Just for the record -- I didn't know that you weren't going to cover this -- but Mr. Solberg's modesty is comparable to Mr. Olcott's. Perhaps it is because they are similarly educated. Mr. Solberg is also a graduate of a New Jersey institution in Lawrenceville and an aeronautical engineer undergraduate from Princeton. He is not just the owner-operator of Solberg Airport, but a pilot of, I believe -- what? -- 30 years, 25 years, perhaps, with United Airlines.

MR. SOLBERG: Twenty-five, yes.

MR. McNAMARA: Thank you very much.

MR. SOLBERG: Thank you.

MR. McNAMARA: Is Mr. Neurenberg here? (affirmative response from audience)

This might not be a bad time for me to just make the comment that on Friday evening, for anyone who hasn't received notice of it, at our home in Far Hills, New Jersey, we are going to have a reception and dinner for those people who are making substantial contributions of their own time for the benefit of aviation in the State of New Jersey. I believe everyone on this panel has received an invitation except those who keep changing their names, which would be you, Bob. Did you get one? (affirmative response) Excellent.

MR. YUDIN: I R.S.V.P.'d, too.

MR. McNAMARA: Huntley, did you get one?

MR. LAWRENCE: It probably went to Ben.

MR. McNAMARA: What?

MR. LAWRENCE: It probably went to Ben.

MR. McNAMARA: It went to Ben. Well, it's for both of you, and I'll get that straightened out if I can before then. But before you leave, Hank, I just hope you received one.

MR. ROWAN: I did.

MR. McNAMARA: I'd love to see you all there. Those of you who come will have an opportunity to meet and discuss these same problems that we are concerned about with other people who are there.

Mr. Neurenberg is here. Mrs. Neurenberg is here again, which we are grateful for. Which one is going to be giving the primary testimony?

N A O M I N E U R E N B E R G: Like everything else, we share. We're sharing it.

MR. McNAMARA: Like everything else you're going to share, okay. Do each of you swear that the testimony you are about to give -- actually, Mrs. Neurenberg, you're sworn and you remain sworn. Mr. Neurenberg, do you swear that the testimony that you are about to give is the truth under penalty of perjury?

K E N N E T H N E U R E N B E R G: Yes, sir.

MR. McNAMARA: Would you please identify yourselves. Just tell us a little bit about your background and then commence with your testimony.

MS. NEURENBERG: Naomi Neurenberg. I'm co-owner of Princeton Airport with Kenneth, my son, and my husband, Richard, who is holding the fort while we're here testifying.

We've been in aviation almost 29 years. We were a fixed base operator at Kupper Airport, running the north side for 20 years. We ran a full service operation. In 1967, we went into Kupper with a 20-year lease. The lease was running out in 1985, we were looking for a new home. Ken got the bright idea, why don't we buy Princeton Airport? My husband and I thought he had aspirations as all teenagers do, but he pushed and we did.

It's unusual for an airport to be sold as an airport in the 1980s, especially during the times of the 1980s. Princeton Airport had been up for sale for four years. The

previous owner only wanted it to be sold as an airport, and he was most patient in waiting for the customer.

MR. McNAMARA: Who was the previous owner?

MS. NEURENBERG: Van Dyke. The Van Dyke family, David Van Dyke and his father, some other people in there, too.

Our 18 years prior to buying Princeton, at Kupper, served us well in teaching us how to run an airport and what services are needed. For two years we ran two airports: Kenny ran Kupper, we ran -- Dick and I -- were down at Princeton. I ran back and forth because I run the flying school.

MR. McNAMARA: For purposes of the record, Dick is your husband, Mr. Neurenberg, and Mr. Ken Neurenberg's father. Mr. Ken Neurenberg is here today.

MS. NEURENBERG: Princeton Airport, to the best of my recollection, predates 1920. It is a 50-acre airport at the current status. It has one runway, a terminal. When we bought it, it had two rows of T-hangars. It had been an active airport until 1981 when it was put up for sale, and in 1985 we bought it. There were 30 planes based there, a lovely terminal, and nothing going on.

We bought the airport on March 29. Our first noise complaint came in on April 1. We thought our years of experience at Kupper would teach us how to deal with neighbors, public relations. We did all the events, coffees, open houses, Santa fly-ins, and everything at Kupper, and we brought those same services down to Princeton, but it didn't work.

MR. McNAMARA: Is that by way of saying that you conducted coffee klatches and receptions at the airport?

MS. NEURENBERG: We have done that continuously since the day we bought the airport, yes.

MR. McNAMARA: What frequency? That's very interesting.

MS. NEURENBERG: Whenever we had any kind of rumblings that some of the neighbors were discontented, we invited them to come to the airport. We'd take them flying over their homes. We had them in for coffee and doughnuts. We brought in the FAA, the State, whoever could help abate some of their concerns. We did it on a regular basis. We'd try to preclude a lot of the problems.

But we also were warned by the FAA chief at the time, John Doster, who was in the Allentown FSDO. When we bought the airport, I took a ride out there and spoke to him and told him what our intentions were. He put me in his office, and I don't know whether any of you knew John Doster, he's a nice southern gentleman and had oodles of manners. He sat me down and closed the door, and he said, "Sit down young lady," which shows how gracious he was. He took out a file from the cabinet. I kid you not, it was at least a foot and a half high, and that was the history of Princeton Airport's noise complaints prior to our taking ownership.

So the history of Princeton Airport has always been a tenuous one with its neighbors. It was just exacerbated when we bought it in 1985, and we started to run a full-service operation. We brought our flight school down. We brought our repair station. We have tie-downs, T-hangers, all the necessary services of a full-service operation.

MR. McNAMARA: How many feet -- just excuse me please -- how many feet is the Princeton runway for the record?

MS. NEURENBERG: It's 3100.

MR. McNAMARA: It's 3100, thank you.

MS. NEURENBERG: It's 60 feet wide.

We look back on the problems we've faced over the 10 years, and I'm going to give you a short version. The first one I'll talk about is municipal home rule. Everybody knows in New Jersey how precious that is to the local municipality; unfortunately, with airports, it can be extremely difficult to deal with. Montgomery Township exhorted every effort to curtail the activities and growth of Princeton Airport from the very onset.

In 1987, we knew we were starting to face real problems when the township rezoned the land north, west, and south of the airport, the contiguous land. They rezoned it from research, engineering, office to residential. By the way, the research, engineering, and office goes back to the mid-1960s when Danny Todd owned the airport, and they were going to make a nice industrial complex adjacent to the airport, and it was going to be Princeton Airpark. It was a very compatible land use.

Montgomery Township, in the year prior to changing the zoning, appointed a blue-ribbon commission of all kinds of professionals. They studied for "1000 hours." We got a phone call at about 4 p.m., "You better go up to Town Hall tonight because there are some major zoning changing." We had known nothing of the rezoning. They introduced the legislation that night. We hired an attorney. We hired our own experts. In six

weeks the zoning was changed. The airport, never during that 1000 hours of study, was never consulted in that whole zoning change.

MR. McNAMARA: How long after that notice-- You received notice at 4 p.m.--

MS. NEURENBERG: That night they introduced it.

MR. McNAMARA: That was when the zoning was introduced. How much after that-- That was the "first reading" as they say.

MS. NEURENBERG: That's right, six weeks later it was law.

MR. McNAMARA: And six weeks later it was law.

MS. NEURENBERG: They have never passed anything that fast for us.

MR. McNAMARA: During this study, you had no notice that they were considering changing the zoning of that -- what was it -- a 30-acre parcel you said?

MS. NEURENBERG: No. It was all the land. It's hundreds and hundreds of acres adjacent to the airport, north, west, and south of the airport.

MR. McNAMARA: Oh, okay.

MS. NEURENBERG: About 800 acres.

MR. McNAMARA: You were not the owners of that parcel?

MS. NEURENBERG: Yes, we were.

MR. McNAMARA: You are?

MS. NEURENBERG: Oh yes, we had been there two years already.

MR. McNAMARA: So you owned the 50-acre airport and then several hundred additional acres that would be that industrial park?

MS. NEURENBERG: No, we didn't own the adjacent land. That was the land that was rezoned. We owned the 50 acres. The adjacent land to the airport was rezoned.

MR. McNAMARA: The land adjacent to the airport was the land rezoned.

MS. NEURENBERG: That's right.

MR. McNAMARA: That was contemplated to be an industrial park, but you did not own that land. However, the rezoning certainly impacted on your airport.

MS. NEURENBERG: Yes. If you come and fly into the traffic pattern now, you will see 350 houses that were just built and are in construction right now under the downwind leg of our main traffic pattern.

The township passed legislation far exceeding the powers that a local municipality has, leaving the airport to defend itself. It was our survival. Montgomery Township, in its efforts against us, hired former Commissioner of Transportation Hazel Gluck as a lobbyist against the airport and a New York City attorney with expertise in environmental law to sit in on all our master plan meetings to prepare for a lawsuit.

They did not stop at any expense to hire professionals to fight us. The Township deliberately postponed continuances, delayed decisions fully aware that the airport must be represented by a lawyer, and these continuances are costly to the airport. The Township is also fully aware of the time lines in which they must make the ruling to assure that the airport

does not get a favorable ruling because they did not act in time.

When we purchased the airport, we had decided that it was necessary to build T-hangars. For over a year and a half we were bounced back and forth between the Zoning Board of Adjustment and the Planning Board, each one stating that the other had jurisdiction. Finally we accepted the path of least resistance, the costly zoning board, because the delay was costing too much. They were about to do this again in violation of the Safety Act when we wanted to build more hangars in the late 1980s. We filed suit. All of this was with extensive legal costs on our part.

The Township tried to acquire the Princeton Airport through litigation and condemnation proceedings. It hired an appraiser and started the process until we intervened, again with a lawsuit. Again, at our own expense. By the way, their assessment of the airport was an extremely low one.

Montgomery Township gave its condemnation power to a local developer to acquire a needed easement for sewers that this developer needed. This, too, we had to challenge. They were going to give the developer the right to take some of our land so he could put a sewer line through our land.

The Township has exhorated its power on a level of government to harass the airport and allow individuals to call State and Federal agencies to inspect the airport, when, in fact, there was no cause, i.e., DEP has been called, soil conservation. During the rehabilitation of the taxiways, which was primarily funded by the FAA, the environmental commission sent letters to Senators, Congressmen, DOT, and FAA with blatant

lies. Township residents sent anonymous letters claiming violation at the airport to various agencies, sending State and Federal representatives on wild-goose chases. All the time, we had to be available to fight these battles.

At the time of the court decision in favor of the airport, between 1989 and 1993, Montgomery Township had spent over \$600,000 for legal and professional services against the airport. The expenses continue to this day and are in excess of \$1 million of taxpayers money, including our own because we pay heavy taxes in Montgomery. It is still continuing as we speak.

MR. McNAMARA: Is that an estimate or are you--

MS. NEURENBERG: Oh, no, we went-- We got people--

MR. McNAMARA: Substantiating that those are accurate numbers.

MS. NEURENBERG: Oh yes, absolutely.

MR. McNAMARA: Thank you.

MS. NEURENBERG: Some airports aren't even worth this million dollars. It's been like David against Goliath. We felt we won in court. We think we'll win again. It is still on appeal, but the litigation goes on.

Montgomery Township encourages antiforces because of politics. The Township installed an airport hotline in police headquarters for complaints of airplanes, and that is still active to this day. The leadership of the town actively encouraged neighbors to sue the airport for \$51 million -- those neighbors who live in the immediate area of the airport, purchasing homes long after the airport was built. The Township directed its police to the airport to interrogate pilots in areas where they had no jurisdiction.

MR. McNAMARA: The lawsuit that was brought for \$51 million, what was that cause of action for?

MS. NEURENBERG: We were harassing them. Kenny can speak for that.

MR. NEURENBERG: Diminution of value of property due to airplanes flying overhead and mental duress. All kinds of things that -- nothing substantiated.

MR. McNAMARA: Essentially it was an allegation that because the airport was there, land that they had purchased and the quality of their life had been diminished.

MR. NEURENBERG: Right.

MR. McNAMARA: Thank you.

MS. NEURENBERG: When our case was in court, the Township directed the police to issue summons for violations that were subject to being adjudicated in the court. The judge had to order the Township to stop sending the police down and stop them from issuing summons.

When we look at the State of New Jersey and the previous Office of Aviation, Division of Aeronautics, we look at the problems that we see that exist there and have existed. I know that they have improved. There was a lack of commitment to enforcing the existing powers that they had.

When Montgomery passed legislation in violation of the Air Safety Act, the State's Attorney General put out a press release in the local newspapers that it would intervene on behalf on the airport. It never did. The Director of the Office of Aviation sent a letter to the Township on the night of the hearing, when the legislation was passed, advising the

Township that it was acting against the State powers. The Township ignored the State, and the State did nothing.

The Township tried to stop the airport from a routine procedure of rapid refueling turbine helicopters, and the State did not help the airport to protect its rights. The State did not interceded early enough when the Township tried to close the helicopter school that was based at the airport.

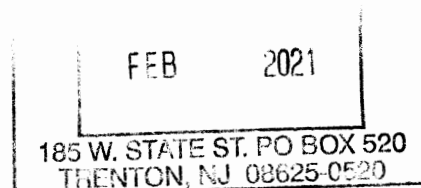
MR. McNAMARA: For the record, would you please -- rapid refueling of turbine helicopters is simply, the helicopter remains running while the procedure is conducted. Is that correct?

MS. NEURENBERG: That's correct.

MR. McNAMARA: It is a standard procedure that is approved by the Federal Aviation Administration and the aircraft manufacturers.

MS. NEURENBERG: Aircraft manufacturers, the helicopter associations. During the municipal hearings, I had done research. NTSB has no record of ever having any kind of accident related to rapid refueling. They do it on all aircraft carriers, they do it on all your Port Authority heliports in New York. It is a standard procedure. They must deplane any passengers and the pilot has to stay on board. We can turn turbine helicopters around very rapidly. It's a convenience to the helicopters because it's so costly for them to shut down and it is costly for them to keep running at a regular rate.

MR. McNAMARA: For the record, there is an enormous cost each time you shut down a turbine engine and restart it. The turbine engines are cycle limited. The overall costs on some of these turbine engines will run somewhere between



\$200,000 and \$400,000. It could be an enormous cost if you've used up your cycles just shutting down to refuel.

Go ahead, Ms. Neurenberg. By the way, do you have a red light on?

MS. NEURENBERG: Yes, I do.

MR. McNAMARA: Recording secretary, do we have -- are we getting a reading on Ms. Neurenberg? (affirmative response)

MS. NEURENBERG: By the way, the National Fire--

MR. NEURENBERG: National Fire Prevention Association, NFPA, has passed new laws, in turn, just because of this problem. Because they noticed it was a problem with the laws, and NHI got together, National Helicopter Association, got together with them and wrote laws precluding towns from prohibiting "hot fueling" of helicopters or rapid refueling, just because a couple other municipalities brought this up also.

MR. McNAMARA: Thank you.

MS. NEURENBERG: It's an inconvenience, by the way, to the airport. We have to have somebody out there quickly and trained to do it. We chose to do it because it is a service that we offer.

The helicopter school at the time incurred an enormous amount of legal fees. The previous owner has gone out of business. We do have a new helicopter school now, but he was harassed horrendously by the Township. By the way, he also is a Montgomery resident and has been since early childhood.

Currently there is a court ruling that states, "Schools are an illegal activity at airports." Currently the State has done nothing to reverse that judge's decision. We are ; all living under that decision,95

and we are all subject, any airport in the State of New Jersey that has a flight school on it, is subject to this interpretation. As farfetched as this judge's decision is, it is out there and it is prevailing.

MR. McNAMARA: Do you know the citation on that?

MR. NEURENBERG: Basically that was done in the Mid-Jersey case, Mid-Jersey and Princeton Aero Corp. We sued the Township down in the Appellate Division. I'm not sure, Jack may help me with this, but one of the statutes in New Jersey states that no schools will be located near a safety hazard zone. That's their interpretation of "no schools," that's a flight school. That's her ruling and that's what is on the books. The State, I believe, knows about it and says it's wrong -- says she's wrong. They're behind us. Right now they're behind us and we have to do something about it.

MR. McNAMARA: Okay.

MS. NEURENBERG: At this point--

MR. McNAMARA: Just a second. That case is one that is still up on appeal?

MR. NEURENBERG: It's on appeal right now, yes.

MR. McNAMARA: It's a case that involved you as defendants and Montgomery Township as plaintiffs.

MR. NEURENBERG: Actually Montgomery Township passed the law. We challenged the law in a prerogative writ. It's been going on since--

MR. McNAMARA: You're the plaintiff challenging the law?

New Jersey State Library

MR. NEURENBERG: Yes. Mid-Jersey started their own case, and then they joined the two suits together. This has been going on since 1989.

MR. McNAMARA: The name of your company that is the plaintiff in that suit is?

MR. NEURENBERG: That would be Princeton Aero Corporation and Mid-Jersey Helicopters Limited versus Montgomery Township.

MR. McNAMARA: Thank you.

MS. NEURENBERG: At this point, I'm going to ask that my son take over because he's much more familiar with funding of projects and difficulties in getting projects done.

DR. TELLING: Mr. Chairman, if I could just interrupt you.

Jack Penn, is the DOT or the State filing an amicus curiae in support of the plaintiff in this case, or do you know if they have taken any action?

MR. PENN: I'm trying to get my light to work here.

MR. McNAMARA: Push your button till you get red.

MR. PENN: Me or the button? (laughter) I don't need this.

MR. McNAMARA: Whatever occurs first.

MR. PENN: It's in the hands of Roy Touchton, our DAG. He doesn't believe the interpretation is correct. At this time he thinks-- It was a local judge, I believe, who gave the decision, it was not a Superior Court judge--

MS. NEURENBERG: No, Superior Court.

MR. NEURENBERG: It was Superior Court. That's the level we're at.

MR. McNAMARA: But anyway, the Attorney General has it in his office.

MR. PENN: Our DAG, Roy Touchton, has it in his office. I think he's been in touch with you.

MR. McNAMARA: What you're saying is the DAG for DOT?

MR. PENN: Yes.

MR. McNAMARA: Okay, I didn't understand.

MS. NEURENBERG: Our attorney is very concerned about it.

MR. NEURENBERG: A lot of the problem that we have had and it's not--

MR. PENN: Is Henry representing you on this?

MR. NEURENBERG: Henry does a good job and he'll do it, but that's one other economic burden on us. We're getting killed. Jack has come in on the last year or two, and he's a fine gentleman, but most of this had started before him. I could show you the headlines "DOT going to sue Montgomery." I saw the headline, it made me feel great and that was it. It went away. What we're really fighting for is the State's rights.

I went to court in one of the summary proceedings, and the judge said, looking at our attorney and their attorney, our attorney ranting and raving, you know, "The State's got the power, the State's got the power." They said, "Okay, where's the State?" That was it. The State wants the power, come get it, take it. But if they're not here, they lose the power. If it goes down to the municipal level, forget it. We're all wiped out at the municipal level, because they don't have the understanding of an airport.

If you have a couple of people politically motivated locally around the airport, don't like the airport, the airport is not going to exist unless the State, you know, will step in.

MR. McNAMARA: I think we're all a little distressed at this interpretation. That's as she said, in the Somerset County Superior Court?

MR. NEURENBERG: Yes, I'll get you all the paperwork on that. That's not a problem.

MR. McNAMARA: I just want to, by way of passing beyond it before doing so, say that AOPA has an extremely competent attorney, John Yodice, who I think you should contact for the filing of the amicus brief.

Also the National Association of Flight Instructors has another very competent attorney named Harry Riggs from Louisville, Kentucky. Of course, John Yodice is from Washington-- Who would seem appropriate for you to contact for an amicus brief.

Experimental Aircraft Association has an attorney, Jack Harrington, up in Milwaukee. I think all of them, from time to time, in matters like this filed amicus briefs. I recommend to you that you investigate one of them doing so, because this is an untenable interpretation.

MS. NEURENBERG: But, Jack, the problem is, our attorney said it would cost us about \$10,000 to take this burden on. We are not in the position to do it currently.

MR. McNAMARA: I don't think any of these attorneys would charge you anything. They would do it--

MS. NEURENBERG: Somebody has to take the ball. None of these organizations would help us during our litigation. We

contacted AOPA. We had a problem with AOPA. AOPA has not interceded either locally, State, or nationally for Princeton Airport. I don't know what their problem is. I'm glad they've interceded for some other organizations, but they have not interceded for us. They have not interceded in Washington and there's a problem there. We have called them many times, they've not been there for us.

Somebody has to file the suit. You can't be a friend until you have a lawsuit. We are not in the position, currently, to expend \$10,000 more on top of the other hundreds of thousands that we have spent so far to reverse this ruling. We don't think that's appropriate for Princeton Airport to take this burden on again. That is part of our problem, we upheld the Safety Act, we fought for the State on that. We cannot do it anymore. We have to fight for our own survival. We can't take that litigation on right now.

DR. TELLING: All I'm raising, Mr. Chairman, and I don't think this is the place to try and resolve it, it may not even be the appropriate forum, but to the extent that Jack Penn can look into it, I would like, at least privately as a Commission member, to have some response as whether or not the State can appropriately take action in a timely fashion, protecting its own rights and its own Safety Act.

MR. NEURENBERG: That's all we're looking for. They have the rights, they have the power. Now, since the this litigation started with us in the town, they came out with a whole new set of legislation, which got passed, that won most of the issues of summary judgement. That was nice. That was after

we went to court for three years and held off while they wrote regulations. It took them two years for regulations.

The whole point basically is, in a quick nutshell, is that they have the power use it but don't use it gingerly. If you have the power, you have to use it. Because if we have to fight for each little airport, like what's happening with Somerset Airport now-- We've been there, done that. It's another airport under attack. I know what they are going through, I went through it. But if the State steps in, they have the power, use it and help us out, that's all.

DR. TELLING: The only other question that I think can be raised at the moment for consideration is whether or not some of this can be fixed legislatively by a legislative clarification? Because it's the judge's interpretation of what is probably somewhat open wording, you know. It's quite feasible that you could get a bill passed which would essentially clarify it, make it clear that this was null and void.

MR. PENN: I think, Dr. Telling, that I'll look into this. I was told that this matter had been resolved. Obviously, it hasn't been. We could probably change it by regulation, just define school. We probably don't need legislation on it.

DR. TELLING: Okay.

MR. PENN: But anyway, I'll get you an answer and I'll get it back to here. This hasn't really come across my desk before, Ken.

MR. NEURENBERG: I actually sent something to Emmett about it. Yes, our part of the airport is going to probably

settle something out, hopefully if things go well, but the helicopter school is still going to continue with their litigation because they are looking for monetary things. I believe that the State has the power, in the new set of operations, that if you grant my operating manual a school -- I specifically ask, can I have a school there? -- if you grant that, you're right that will recede it.

The whole point being that the State wasn't there for this. Everything was taking a lot of time, and taking a lot of time is the way lawyers make money, and that's the way airports die. I'm not that concerned that this is going to give an unfavorable decision but just the fact that it's there and has been squashed by the State.

MR. McNAMARA: Is there anybody on the Commission that agrees with what we've been told the ruling of the Superior Court of Somerset County is in this matter? That essentially flight schools would be precluded from being located on airports because schools are not proper activities for airports? (no response)

MR. NEURENBERG: Schools can't be located near a safety hazard zone.

MR. McNAMARA: Please. Let the record show that there is no one here that indicates agreement. Is there anyone here who thinks that it would not be harmful to airports in the State of New Jersey to have such a ruling sustained? (no response) Let the record show that there is no one here who so thinks.

With those two findings, I think it is appropriate to ask Mr. Penn, in his capacity as Director of the Division of Aeronautics, to look into this. This could be our first interim

decision of this Commission. It is one that has to be made now, I guess, since the matter is in court. If an amicus brief is to be filed, action has to be taken quickly.

Thank you, Jack, for looking into that.

Mr. Neurenberg.

MR. NEURENBERG: The next thing I would like to talk about is funding of airports. Basically, a lot of projects at airports are multiyear projects. One year you design it. The next year you purchase the land and/or construct it. Right now, I believe the way it is written is basically you go for everything, every year.

You put a five-year CIP, capital improvement program, in, but you're not sure what's going to happen, and every year you have to find out how much money is available. You don't know if there is money available in it or not. So it's a tough way of planning projects at an airport if it's a multiyear project. That's one problem that airports have run into.

Along with the economics of it, I believe Thor hit a lot of them, a lot of the regulations are very restrictive.

MR. McNAMARA: Did you concur with Mr. Solberg's testimony?

MR. NEURENBERG: Yes, I agree with most of it. There are a couple things that I find a little different.

MR. McNAMARA: Okay, you concur with all of it except those things that you are going to cover with us.

MR. NEURENBERG: Or else I'll point out some other things that he didn't.

MR. McNAMARA: We'd appreciate that.

MR. NEURENBERG: The DEP, they have their job, they have their commission. I think what they are there for is valid. I believe that we should have somebody in DOT that will act as a liaison full-time or at least have a better way to open the door. Every time you deal with the DEP, not only does it cost money, but it takes a lot of time, and time is money.

I tried putting up a small set of T-hangars, which I finally did get put up. Every time I sent something to DEP, it would take three, four, five months to get responses from them. It wasn't just a flat application, they just drag you out. If there was somebody who was in the DOT to expedite that process-- Because there is a good reason why DEP is there, I think they're a little-- We all have opinions on them, but if somebody can be at the DOT or somewhere to expedite these projects to get into the DEP to get a question answered in a reasonable amount of time--

Some of the permitting fees that the airports have been hit with are a little bit hard. The storm water runoff permit, I believe, is about \$500, and all airports pretty much got hit with it. What's interesting is gas stations, which basically have the same exposure as we do-- The runoff permit basically is a permit for if you put petroleum products or have petroleum products and you get, you know, runoff that goes into a local stream. The exposure that we have at an airport is the same exposure as a gas station, but they all got exempted. We didn't.

It just doesn't seem fair. It's a rather high fee for what they do. Basically, you give them a \$500 check and fill out a form and that's it. It's not a question of it costing

\$500. They also came out with another one on fire inspections. They can charge up to \$1000 for the fire marshall to come there and inspect your facility. It's profitable for the fire marshall. It's tough on the airports.

Along with that one, there are a bunch of other regulations that are difficult, but a lot of them stem from FAA regulations which-- This is probably not the forum for it, but that's one of our problems, we get overregulated.

The real estate tax Thor hit -- he hit that one pretty much on the head. Take our airport, for example. We have 50 acres, which is a very small airport. Out of that we probably produce revenue out of five to ten acres. The other 40 to 45 acres is just used for the runway and taxiway. We don't make any money off of it. It's a burden to us. We have to plow it. We have to cut the grass. It just doesn't do anything for us; however, that's what let's us operate an airport.

I don't feel that we should be taxed at the highest and best use of the land, which is what we are taxed at right now. So the taxes are a very big problem with the economics of an airport. It is basically a public road. It's open to the public. I can't deny access to it. It's open to the public, so I think it should be taxed at a different rate.

The only thing else I would like to slightly get into is private and publicly owned airports. Basically there are two types of airports, publicly and privately owned. I'm with the private sector. It's a question of equal competition. We pay taxes. We have a mortgage. We have to produce a profit. We have to live there. We have to eat and all that -- neat things like that.

If, for example, the State now decides or the municipality decides to purchase an airport, they'll buy the airport with some Federal and/or State funds. Now you have two airports competing locally for the same amount of business because, face it, aviation there is only a set amount of airplanes in the area. There is only a number of business. Basically, in the area, I think the business is shrinking. Even though Piper and Cessna are building aircraft, between attrition and exportation of aircraft, there's not that many more airplanes being built.

As Thor said before, there's not a lot of profit in airports. So if you start putting government entities that don't have to make money into competition with private airports, it's going to take the few private airports that are healthy, and it's going to hurt those severely.

Basically, what I'm trying to state is that if you have one airport that doesn't have to pay taxes, that does not have to produce profit because it's a government entity and has all the resources of plowing, grass cutting because it's municipal government that already has the equipment, and you put that in competition with another airport that can charge less for tied downs, less for fuel, less for the services at the airport, then the healthy airport you will find will be the next one on the block.

So I think you should just look real carefully about how we get government into the private sector of running the airports because the private airports that are out there will be hurting.

The only thing else that I would like to say, Thor hit it too, before, with the businesses--

MR. McNAMARA: Mr. Neurenberg, just in passing. I regret I didn't ask Mr. Solberg this, but maybe we can survey this. Can you tell us as what, as a percentage of your total capital investment at Princeton Airport, what your return equity is annually?

MS. NEURENBERG: No. I have no idea.

MR. NEURENBERG: Right now, we are making money.

MR. McNAMARA: You are not.

MR. NEURENBERG: We are making money. This is all we do. I'm not an airline pilot. Mom and Dad -- we work the facility only seven days a week. She works six, I yell at her.

MR. McNAMARA: Is that by way of saying that there was a period of time when you were not making money?

MS. NEURENBERG: Oh, absolutely.

MR. NEURENBERG: This is all we did. We started in 1967.

MS. NEURENBERG: The first 12 years of our--

MR. McNAMARA: You went 12 years before you turned profitable?

MS. NEURENBERG: Till we started to see what worked. That was still when we were at Kupper and didn't have a mortgage, just a monthly rent.

MR. McNAMARA: Right. So it's an enormous capital risk.

MS. NEURENBERG: It's an enormous sacrifice on the family, too. I look back and see what I didn't provide for my family during those times.

MR. McNAMARA: All right. Now you have turned profitable, but you don't know what your return on equity is offhand?

MS. NEURENBERG: Because we're still reinvesting in the airport. We're still constructing. We're still improving.

MR. McNAMARA: Well, this was not something I asked you to prepare for today, so I understand. I just thought I'd ask.

MR. NEURENBERG: It's tough because you have three people that are pulling small incomes. I mean, it all depends on your salaries. We pull small salaries, we put all the money back into the airport.

MR. McNAMARA: When you say that you've got three people taking salaries, is that what you're counting as your profit, the salary you take?

MR. NEURENBERG: Basically, yes.

MR. McNAMARA: So, you're not making money over the salaries that you're paying your employees.

MR. NEURENBERG: Slightly, but, no, we're not making-- If the piece of property is worth \$2 million and you have an 8 percent return on investment, no, we're not making \$160,000 net profit without picking up a finger. No, it ain't happening.

MR. McNAMARA: You're just basically earning your own salaries.

MR. NEURENBERG: Yes.

MS. NEURENBERG: Improving. We're not complaining about what we take home. How our standard of living is.

MR. McNAMARA: I'm just trying to get a feeling for what kind of a business this is. We're going to have to report

to the Legislature on these matters. I think it is revealing to hear your testimony that beyond paying the salaries of the corporation's employees, of which you three are three, the corporation is not really generating any profit.

MR. NEURENBERG: It's paying the mortgage, however, that's our profit. But yes, it's not making the right amount of return on investment, if that's your question.

MR. McNAMARA: What you're saying is you generate enough to pay your mortgage.

MR. NEURENBERG: Right.

MR. McNAMARA: Which is an aftertax expense.

MS. NEURENBERG: We also hope that the airport is appreciating and that we leave him a legacy that's worth more than what we put in.

MR. NEURENBERG: It's a tough business, as we said before. Right now, we're making money. We're doing okay. If you've been to the facility, it's one of the more reasonable ones around. That's probably why we have the complaints that we do, too, because we're an active airport. They go hand-in-hand.

But if you start putting government into these private sectors or put me in competition with a government entity, then you'll watch my airport being the next one going down. No question about it. We're making money now. We're working it hard, but we're not making that much money, and it's not that much of a business where, if you start putting two or three -- improving all the airports in the area and then put me in competition with a government entity, I just can't do it. They have deeper pockets than I have.

An airport, to you gentlemen, since Susie's not here, is a transportation system. It's pilots like Jack. You know, it's great for you guys to fly around, but for me it used to be a lot more fun, until 1989, when we started our hassles. But basically, it's got to be business for me. If I can't turn a profit or if gets down to the point where the work is not worth the effort, you're right, airports are going to sell.

That's why farmers sell and that's why airports sell. If you get offered a lump sum of money, with anybody out here I'd love to know, would you guys take the money and run, too? It's a tough nut, because we're working it hard, and we're barely making it. I'm not complaining about that, but any other restrictions on us, any other battles -- if I had to do this battle all over again with Montgomery, I wouldn't do it. I'd like to see some airports try it because it would probably put them under.

That's basically where I'm coming from.

MR. McNAMARA: Thank you very much. Is that the end of your comments?

MR. NEURENBERG: Yes.

MR. McNAMARA: Thank you very much, Mr. Neurenberg. Are there questions for either Mr. or Ms. Neurenberg?

MR. HINES: Jack, real quick. I understand some time ago Senator Lautenberg got into the act.

MR. McNAMARA: Yes, he did.

MS. NEURENBERG: He's still in there.

MR. HINES: Can you give us the background of that, because I understand it was an amendment to a piece of legislation that had nothing to do with airports or aviation?

MS. NEURENBERG: No, it's attached to the FAA budget.

MR. HINES: Okay.

MS. NEURENBERG: It is that obviously there is somebody in the Montgomery/Princeton area who has his ear. We have not found out that source. It is precluding Princeton Airport from receiving any Federal funds for improvements until the neighbors concur.

MR. NEURENBERG: We're in the middle of a master plan environmental assessment, too. So that has to be concluded and that has to meet everybody's satisfaction.

MR. HINES: That amendment was directed totally to Princeton Airport? It does not apply to any other airport?

MS. NEURENBERG: Singled out, the only airport in the nation.

MR. HINES: In the nation, very selective.

MS. NEURENBERG: Very selective. It was reintroduced again this year. It is still attached. I try to reach his office. Why? Because this year has been a very quiet year in headlines with neighbors. All of our negotiations, Kenny has done behind the scenes with the Township, with the attorneys, and all. The newspapers don't have any of the information. Everything has been kept to a very low boil so nobody would be exasperated and frustrated. We had all reached the boiling point, and the hotheads were trying to keep quiet.

And all of a sudden was this big headline in the paper again. He had sent out the same press release. I could not get anywhere with them. I said, "Have you gotten one complaint in 1994-1995?" "No." "Then why?" You know, this was not him, it was an aide; I can't get him. It's still out there.

MR. HINES: One comment, Jack, I might make, too, is that I don't know what it is today, but at one point not too long ago, less than 2 percent of the FBOs in this country were profitable. I think I might have mentioned that at one time.

Going to various conventions as I have over the years and going to the business meetings, and they try to teach us how to make money, we're probably down at the bottom of the totem pole in comparison to the restaurant business. We're even below them as far as profitability is concerned.

MR. YUDIN: No, it's the appliance business.

MR. HINES: Pardon?

MR. YUDIN: The appliance business.

MR. HINES: Well, I don't know about that.

MR. McNAMARA: Is that why there are all those vending machines over there at Ronson? (laughter)

MR. HINES: The point being that there must be some kind of relief here. Paying property taxes and fighting all this litigation by themselves, these airports cannot make it. Just can't do it.

MR. McNAMARA: Are there other questions? (no response)

Mr. Neurenberg, one question I have: The fire marshall inspection fee of \$1000, are you suggesting that the Department of Transportation could conduct the same inspection?

MR. NEURENBERG: They allow the latitude of up to \$1000. For us I think it's only \$500 or \$750. But to openly give a municipal fire marshall a license to steal--

MS. NEURENBERG: A blank check.

MR. NEURENBERG: --give him at least a cape or something.

MR. McNAMARA: My question is, could the Department of Transportation -- do they have the facilities and the expertise to conduct that, in your opinion?

MR. NEURENBERG: No, but I believe they should be able to limit it, limit it to a reasonable fee.

MR. McNAMARA: Okay, regulate it.

MR. NEURENBERG: I don't mind paying \$150 or even \$250, but I just think it an exorbitant amount of money. I know some small airports that are my size pay \$1000, Newark Airport \$1000. Okay, so something is wrong here. Teterboro, I don't know.

MR. PENN: Mr. Chairman.

MR. McNAMARA: Mr. Penn.

MR. PENN: First of all, this particular thing about the fire inspection, we're working on that right now. Right now it is run by Community Affairs. We do conduct the same inspection. We don't charge for it. We inspect everything that they do, but Community Affairs has the jurisdiction over there. They're the ones who get the fee. We're trying at this time to meet with Community Affairs to take over that particular duty, because we already do it.

When we inspect it, we do the whole fire inspection and everything else for your airport. We inspect your airport at least once a year; sometimes twice a year. We feel it's an unfair fee. We're opposed to it. We don't think it's right. We don't think it's really an inspection, it's what Ken alluded

to. I think we do a far more thorough inspection than is being done anyway. I think it's an unfair burden on the airports.

We also agree that we're opposed to the \$500 for the runoff fee for the DEP charges. Unfortunately, the airports got caught up in a situation. The situation was that the gas stations have a thing called a Gasoline Retailers Association, and they went off and fought and were able to get the gas stations, junkyards, bus and truck terminals excluded from the law.

Airports are classified differently, they're subject to ECRA. They're subject to a lot of other regulations. The only saving thing is, if they want to put in self-service gas, they can, and the retail association can't do a damn thing about it. Kent Linn found that very helpful up at Sky Manor, which, I think, is a way that you'll end up going one of these days.

MR. McNAMARA: As I understand, we've had testimony before this Commission, prior to this, on this storm water runoff. It was a function of the SIC Code.

MR. PENN: Yes.

MR. McNAMARA: One airport, for instance, had historically -- in fact I believe it was your prior airport, Kupper -- had historically filed its taxes as a school. Its SIC Code was a school. It doesn't have to pay this storm water runoff permit fee, whereas the people that filed under aviation SIC Codes -- there is no SIC Code for airports, it's just an SIC Code for aviation -- ended up having to pay it. There was not an equitable administration of the law, in my personal and private opinion, in that regard.

In any event, Mrs. Neurenberg, thank you-- Wait a minute. Dr. Telling?

DR. TELLING: Mr. Chairman, I have no desire to prolong this any longer than you, but there is one thing I would just like to enter into the record. To the extent that perhaps the Commission would be willing to look into the question of whether or not municipalities are becoming too aggressive, you know, in some of these almost harassment actions, whether or not we can't legislatively explore whether the same accountability in government should exist for them that does exist in some Federal areas of litigation. People have pursued things in court cases way beyond any reasonable merit, either in terms of court costs to the plaintiff in this case--

MR. McNAMARA: You're referring to the Equal Access to Justice Act?

DR. TELLING: Yes.

MR. McNAMARA: That's, I think, a good recommendation and a worthy thing to be considered by this Commission.

DR. TELLING: One, I think this administration would look favorably upon it and I think also this Legislature.

MR. McNAMARA: After hearing the story, especially the story we heard today, we'll be hearing, of course -- we all realize that we have heard one side of the story at this point. We'll invite Montgomery Township to come in and give us the other side of the story. After that we'll weigh the facts. If they don't change, that's a worthy consideration.

MR. YUDIN: Jack.

MR. McNAMARA: Yes.

MR. YUDIN: Will we do that with all the municipalities that we have heard? Will we at least give them an opportunity to give their side of the story--

MR. McNAMARA: Yes, we are.

MR. YUDIN: --because, if we are not, I think that's where we should give them the opportunity.

MR. McNAMARA: We have a list now of more than 50 municipalities that will be invited. Phil Engle is in charge of that. We are surveying those municipalities now. Any municipality that either is a host to or neighbor of an airport such that they could possibly be affected by the airport or its operations will be invited to come in and give testimony. In certain cases, if we feel that it's imperative that particular municipalities come in, we will subpoena them. We have invited the League of Municipalities to come and give testimony, and they are considering that.

MS. NEURENBERG: Excuse me, Mr.--

MR. YUDIN: I just want to emphasize I think that's an outstanding idea. That if they refuse to come in that at least some of them, that they be subpoenaed. So we can have an opportunity to question them and find out their rationale. I don't have a problem with working seven days a week and what the profitability is. I don't have a problem with that. If it's profitable or not profitable, all these airport owners deserve to be free of abusive and excessive municipal harassment.

I think this might be the most important thing we can do is to get these municipalities, if necessary, under subpoena here and find out and try and get to the bottom of this harassment and get it onto the record. I think we know pretty

much what they are going to say. They're basically reacting to the population, that's where the votes are. But if we can get their testimony on the record and we can show on the record how ludicrous their objections are, I think that can go a long way to convincing the Legislature to possibly pass some legislation that will give these airports relief.

Because our main goal here, the bottom line is we want to stop the hemorrhaging, the loss of the airports. The only way we're going to do that is to get the harassment part off the backs of the airport owners.

MR. McNAMARA: Or maybe there's another way. It may be that what the municipalities will tell us makes more sense to us than what we've heard so far. They may have some recommendations, and we may go in that direction. In any event, we are in total agreement that we have to have them come in and testify, especially the ones that have notorious conflicts with their resident airport.

DR. TELLING: If I could just raise one--

MR. McNAMARA: No, let me just excuse the Neurenbergs.

MR. NEURENBERG: I don't know how appropriate it is or not. We're still in settlement, you know. Jack was there, and Phil was there. Basically Phil Engle is working for Montgomery Township, too. So I don't know if he should be serving on the board in this kind of a capacity either. I just wanted to put that on the record or if there is any opinion or not. I don't know. The last time we got along. We get along with settlements, it's not nasty. I mean Susie left when Thor was here.

MR. McNAMARA: I have to point out to you that we are a Commission of the Legislature, formed not to study your individual problem, only to study the problems on a statewide basis. The statute which enables us has very specific provisions for appointment. Some are statutory appointments, some by the Governor, some by the Speaker of the Assembly, and some by the President of the Senate.

Mr. Engle is one of those appointees. It is most appropriate for him to be sitting here. We all have jobs. Despite our jobs it's most appropriate for us all to be sitting here. We did have to recuse -- actually, Ms. Nagle recused herself because of, not what I would say is overwhelming conflict of interest, but for the same reason that I just expressed. We don't sit to resolve the problems of the Solberg Airport. But she recused herself because of the appearance of a conflict. It's a questionable call, but we might as well be safe than sorry when it comes to conflict of interest. Enough said about that.

Let me say this. Ms. Neurenberg, is this the third time you've been before us or the second?

MS. NEURENBERG: I think it's only the second.

MR. McNAMARA: Second.

MS. NEURENBERG: In heart, I've been here more.

MR. McNAMARA: It's always a pleasure. Thank you very much. Mr. Neurenberg, thank you for coming. Your comments are very valuable to us. I thank you.

MS. NEURENBERG: Thank you for the opportunity.

MR. McNAMARA: Dr. Telling, I'm sorry for interrupting you.

DR. TELLING: No problem. I just wanted to reinforce the value of inviting municipalities, but as those who accept and it's not a burden, it might be worth also trying to send out notice of those hearings to at least some of the pilots who are users in the localities that we would be hearing testimony from at the time.

MR. McNAMARA: I want to ask your opinion on that. I had that concern. For instance, today we could have asked Montgomery Township to come in as the Neurenborgs were testifying, or we could have asked Readington to come in as Mr. Solberg was testifying. Of course, if we were a court of law, that's exactly what we would do. However, I was concerned that it might be intimidating and stultifying to have the adversaries who have demonstrated that they are very vocal, sometimes raucous even, in the same room.

For instance, I think that an airport owner like Danny Walker might be somewhat intimidated to have the very vocal adversaries of Somerset Airport in the room with him. I don't think this Commission would get as full a picture as we will if we could just have them come in on separate days.

DR. TELLING: Mr. Chairman, I think your decision was not only appropriate, but quite wise. In this case, what my point is, the municipalities that will be represented will be the elected officials. I think it would be useful to have the citizenry of those municipalities also here. Those who have some interest in or stake.

MR. McNAMARA: Oh, I see.

DR. TELLING: They're not the owners of the airport. You don't have the same adversarial relationship. It is quite

possible from time to time that there are some citizens in municipalities whose opinions differ slightly from those who they have elected in body to represent them. Should that be the case, I thought it would be a useful addition to consider.

MR. McNAMARA: I agree. I don't know how we would get those people. What were you planning, that we would advertise?

DR. TELLING: No, I thought that there were two things that we could do. One of them was to use FAA registrations, pilots, that's one class of user. Another would be to -- Teterboro, I think Teterboro easily -- it's not at all hard to reach not only the pilots that are there, the businesses that are there.

I happen to think-- I don't mean to make this a political salutation to Phil Engle, but what he has managed to create, in terms of an environment and outreach program, is ultimately the sort of thing that I think is a model we all have to work toward. I'll approach Phil, but I think there are some ideas about how we can reach out as we hear from municipalities saying, "Well, we'd like to come in and talk on this."

MR. McNAMARA: I think that's a good idea.

Are there any other comments or considerations that should come before this Commission? (no response) There being none, we stand adjourned.

(MEETING CONCLUDED)

APPENDIX

November 28th, 1995
General Aviation Study Commission
Hearing Room 11

Water Resources for Enhanced Aerial Fire Suppression
By Joseph Rene DuPont
74 Morristown Road, Gillette, N.J. 07933

As a private pilot of almost 29 years, who soloed out of the now non-existent Basking Ridge Airport (Somerset Hills Airport) I am keenly aware of how fragile our airport resources are. Having flown as far as Colorado, Maine and Virginia in single engine aircraft I can attest to the fact that there can never be enough airports from a pilots perspective.

It has been many years since I testified in front of our late friend of aviation, Senator Rand, and spoke about an abandoned, yet still existing runway in Canada which saved all of the lives on a Air Canada flight which ran out of fuel. And yet there was no airport in reach of a flamed out, South East Airlines DC-9 when it had to resort to landing on a road; killing as many people on the ground as were saved in the plane. The fact of the matter is that our network of airports serve the public in more ways than normally perceived. And so, in addition to the many uses which were attested to at the hearings in front of Senator Rand, I am here today to explore the enhancement of one of them; Aerial Fire Suppression.

36X

This past Summer, we were all witness to the amazing feats of our fire fighting services as they battled large forest fires on Long Island, New Jersey and Pennsylvania. During the Battle of Britain Churchill said: "Never in the course of human events have so many owed so much to so few." Not to be melodramatic, but similar statements could be made of those who battled these fires from the air.

It was the feats of these few pilots that brings me here today to request that we take a long hard look at making it easier, safer and more cost effective to utilize this technology in a greater number of circumstances. It is my contention, that with a little planning and a modest long term investment that New Jersey's airports could play a larger role in the suppression of fires of many kinds.

If such a role was properly publicized, airports would be transformed from the general public's perception of being a place for rich playboys to have fun, create needless noise, and lower property values to that of a resource which could reduce fire insurance rates and save lives and property.

New Jersey pilots could also be educated as additional eyes in the sky to report forest and brush fires to some assigned frequency which police and fire companies could scan.

Several years ago I reported a potential forest fire through Somerset Airport to the Watchung Fire Department.

If the story of how airports already benefit the public and hopefully how they will even better serve the public in the future were told, we would not see the hostile

environment which virtually every airport operator has to live with.

Part of New Jersey's success in our aerial fire fighting efforts is the use of Ag-Cat type aircraft which can cruise at about 120 MPH (2 miles a minute) to and from a fire at \$420.00 per hour. The actual water drop takes place at about 60 MPH to minimize the breakup of the water into a ineffective mist.

Operating out of Blairstown Airport to suppress fires just across the Delaware River into Pennsylvania they were able to deliver 275 gallons of water at about \$112.00 per load or about \$.41 per gallon. With two planes, a load was dropped every 8 minutes. This included a 2-3 minute re-filling period. Needless to say the cost effectiveness of this kind of operation depends on the distance from the water source to the fire and back. I am told that New Jersey has one of the most cost effective aerial fire suppression systems in existence.

Part of this is because of the versatility of the equipment which can be converted from a crop spraying mode to fire suppression mode in about one hour. This allows the cost of this equipment to be amortized over both kinds of operation. Although helicopters have been used for dropping water on fires, the operational costs of such equipment is prohibitive. Helicopters have the advantage of being able to snatch water out of swimming pools, lakes, rivers but require much more maintenance, burn more fuel, are slower and carry less payload. When used to evacuate injured people to hospitals these drawbacks becomes less of an issue.

It should be pointed out that Ag-Cat is developing a skimming concept which would allow reservoirs to refill aircraft on the fly. However this technique is far from being perfected.

For Northern NJ a typical mission would originate from Andover Airport to the fire and then refilling at closest participating airport. This entails coordinating with typically volunteer fire departments to supply water via tankers and pumpers to the aircraft. Response time is not as big of an issue as one might think, because the fire company has the time between the plane leaving from, say, Andover to the first drop and then to the assigned airport to get things in order. However, depending on the time of the day and the day of the week and availability of equipment there is no guarantee as to when the plane can make its second drop. In the case of Blairstown's and, I believe, Somerset's usage, this was accomplished by the utilization of local ponds. I do know that the Fire Chief, Jack Reeves of Union Hook & Ladder Company in Far Hills, New Jersey praised the effectiveness of aircraft flying out of Sommerset Airport in possibly saving some condominiums which a brush fire threatened. The point I would like to mention that with the proper user-friendly water resources in place, a greater use of such aircraft could justified. This intern could reduce the hourly cost of such aircraft and offer more aviation related jobs. (It should be noted that these pilots are extremely experienced considerable tail dragger and banner towing time.)

An additional spin off could be reduced fire insurance rates for high risk communities near airports.

In fact, I foresee municipalities allocating tax revenues to have ready access to such aircraft to battle fires which are not in the jurisdiction of the NJ Forestry Service. Being that NJ is serviced with volunteer fire companies, such a resource, could play a greater role in controlling brush fires or even industrial fires.

Although there is an emergency plan to supply water to refill such aircraft with local fire fighting resources, it would seem logical that by having in place actual water resources in place fire fighting equipment and personnel could be freed up to actually fight the fire directly and not be relegated to basically fill up a hopper in a plane.

The ideal situation would be to have fire hydrants on premise which could be accessed by airport personnel, police, municipal worker or even the fire fighting pilot.

In Morris County, there are two airports; Morristown Airport and Lincoln Park. Morristown has hydrants on premise and Lincoln Park has some across the street from the airport.

In simple terms if Lincoln Park had the water line extended under the street, all the airports in Morris County could make claim to the fact that they were "certified aerial water re-filling stations!". What does that mean? Currently, there is no official term which would categorize an airport as having water resource capabilities.

This is an area where we could lobby to have the FAA set up symbols to signify this capability on their Sectional Charts. According to Paul Styger there exists a fire hydrant approximately 1/2 mile from Sussex Airport. What would it be worth to have Sussex Airport, which has handled B-17's, with such a water resource, 365 days a year? It would almost seem that if the State, County or Township paid for such an extension, that all the fire insurance premium savings of those who would benefit could go to pay for such an extension until it was paid off.

We do know that stand-alone 10,000 gallon water tanks with a choice of pumps would cost about \$30,000.00. However, they could not be used during freezing weather. But that figure does give you a number to deal with. For about \$1,800,000.00 every airport in New Jersey could have one. When you deduct those airports that already have fire hydrants and those who could, and those airports that are acting as fire base stations already, that dollar figure declines appreciable. Airports such as Newton, Somerset, Blairstown could have permanent pumps & water lines installed from existing ponds and lakes at less than the \$30,000.00 figure. Trinca rests on the Germany Flats Aquifer which has water less than 25 feet below the surface!

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Unfortunately, in NJ we are subject to the realities of freezing weather. So that there are seasonal considerations which would limit the practicality of all but most likely the use of fire hydrants at water refilling stations.

However, the greatest threat from the kind of fires which such aircraft would normally combat are during the warm months when the threat of freezing pipes and water sources is nil. As alluded to earlier, on site fire hydrants are the preferred water resource with economic fire insurance rate benefits to those in their proximity.

I am here today not to suggest an specific plan of action but to hopefully precipitate mind set that we should be asking county and local planning boards to determine how they could work towards developing water resources to enhance their aerial fire suppression capabilities.

I am here to ask you to look for justification to request funding from Federal and State resources to match County and local and private resources to enhance these water resources. These water resources could also enhance the viability of agricultural spraying of crops in the Northern regions of the state. I'm sure that it would be better to encourage the mixing and storage of such ingredients at an airport as opposed to at some remote location. It is possible that as the chemistry progresses, that agricultural spraying may be deemed safer and used more in Northern New Jersey.

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In closing I would be remiss if I did not commend Jack Penn and his dedicated staff for their enthusiasm and determination to preserve and enhance New Jersey's aviation resources. In addition it can not be overstated how effective the NJ State Forestry Service already is in protecting the natural resources that surround us.

Hopefully by focusing on the enhancement of water resources at our airports and developing a fire reporting system which NJ's pilots can participate in, that NJ will become a model for other states to follow. As much as this Summer's fire fighting triumphs are fresh in our minds, time is fleeting and the sooner we address this issue the better chance the public will accept its validity.

Aircraft Owners and Pilots Association , the Experimental Aircraft Association and the Mid-Atlantic Aviation Coalition, have all expressed a keen interest in the water resource concept and are willing to keep the aviation community accessed as to what is ultimately achieved here today. I sincerely thank this commission for the opportunity to express these concepts to you.

Sincerely,

Joseph Rene DuPont



Stanley Terrace at Willow
Grove Lake, Vineland, N. J.

RUDOLPH CHALOW

RD 4, 4380 Stanley Terrace • Newfield, NJ 08344

- Aircraft Repair and Maintenance
- Engine Maintenance and Overhaul

November 20, 1995

Mr. Joe DuPont
P.O. Box 189, 74 Morristown Road
Gillette, NJ 07933

Dear Mr. DuPont:

I am responding to a request through Aero New Jersey for information on aerial firefighting and refilling of aircraft at New Jersey Airports.

We have a small airport (Rudy's 25N) in South Jersey. There is a lake at one end of the runway with an irrigation pump that irrigates farmland at the other end of the runway.

A number of years ago there was a forest fire in nearby woodland that was inaccessible at ground level. We used the irrigation system to fill firefighting aircraft to control the nearby forest fire. State Highway Route 55 is adjacent to the runway where the firefighting aircraft were filled. I can foresee the possibility of using this same system to fill ground firefighting equipment.

I thought you may be interested in these events.

Sincerely,

Rudolph Chalow
Rudolph Chalow

RD:mc

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TESTIMONY FOR THE GA STUDY COMMISSION, NEW JERSEY LEGISLATURE

My name is Bob Michaud of McFarland Johnson, Inc., with headquarters in Binghamton, N.Y. and with offices also in Woodbridge, N.J.. McFarland Johnson is a member of "Aero New Jersey" and it is behalf of that organization that I offer this testimony.

A few words about my background: Prior to joining the McFarland Johnson firm in May 1995, I spent some 25 years with NYSDOT's Aviation Offices where I was Director of Aviation Planning and Development for New York's 85 or so grant eligible airports. That excluded the two airports that the State owned outright plus JFK and Laguardia. In that job, my main responsibility was running the grant programs. Prior to joining the State, I spent 12+ years with the FAA in their Airway Facilities Division.

The comments and observations I'm about to offer are from that New York perspective, however, this should not be interpreted as an opinion that things are necessarily better in New York. In fact at the moment, they aren't nearly as good as here in New Jersey, overall. The very fact that this Commission has been formed is a most positive step about which most of New York's GA Airports would be envious.

I'm only just getting to know the N.J. Airports and the State's Programs. Consequently, please bare with me if my reading of the N.J. situation isn't totally on the mark.

I'm aware that your Committee is interested in knowing what some other states are doing in their Aviation Programs, in general, and for their GA Airports in particular. I of course can no longer speak for New York State. I can only share with you what occurred while I was there.

I plan to first run down a list of some program differences and similarities, which may be of interest to you, and secondly I'll discuss a few of the burning issues regarding GA Airports and what we in State Government did, or tried to do, about them.

PROGRAM DIFFERENCES AND SIMILARITIES:

- NJ licenses airports, NY does not.
- NJ has Airport Safety Zoning, NY does not.
- NY has no Aviation fuel tax, per se, like in NJ which, I understand, funds certain programs and administrative costs. Instead, NY taxes petroleum suppliers through a complicated formula which recently was targeted to fund mostly Highway and Transit Programs. In 1993, \$10M of that was earmarked for a Special Aviation Transportation Program (SATP) which I'll cover

later in more detail. Due to very recent legislative action, the taxing formula was revised to ease some of the burden from Aviation fuelers. As a result, the pump prices have been lowered by some 15¢/gal.

- NY owns 2 airports outright, Stewart Airport in Newburgh and Republic Airport in Farmingdale.

- NY had funded 75% of the non-federal share of virtually all federally funded projects [excluding JFK & LGA] until 1992 at which time it was reduced to 50%. That consumed some four to seven \$M per year.

- Except for some residual Bond funding from the 70's and 80's, and the SATP mentioned above, all costs, net of revenues, are derived from the General Fund.

- In NY, in order for State Grant funds to flow to an airport project, public or private, an official local government endorsement of the project is required. Understand that no such endorsement is required in NJ.

- In the case of a privately owned airport, the local government with jurisdiction may block major development, regardless of funding sources, through Sec. 249 of the General Business Law.

- NY is not a block grant state like NJ and, thus far, has not applied for such status. It's questionable whether such a move would be supported by the Airport constituency represented in part by the New York Airport Management Association (NYAMA).

- NY like NJ has no programs for granting property tax relief to private airport owners. The subject has been talked about for years but nothing has ever come of it.

- NY has completed an Economic Benefits of Aviation Study and an accompanying video which has been a resounding success. Understand that NJ is doing likewise.

- NY has completed a Statewide Aviation Forecasting Study to assure that individual airport forecasts have been developed on a consistent basis and that aviation activity will not be double counted. That study, based on pre-recession data, needs updating.

ISSUE: Loss of Airports/Need to Preserve Airports

Although many reasons can be cited as to why we're losing airports nationwide, the resounding reason seems to be just plain old economics and the fact that there are simply more profitable uses of the land in many cases. In addition, spreading residential development with its associated environmental conflicts has certainly exacerbated this problem.

The most vulnerable or endangered category of these airports has been the privately owned public use group as opposed to those publicly owned. The reasons for this are rather obvious. First of all, the latter group has the ability to receive taxpayer subsidy, albeit reluctantly, and secondly, the Federal Government has contributed to this dilemma, over the years, through it's long standing policy of favoring the development and preservation of airports publicly owned at the expense of their privately owned competitors that also contribute to the Airport Trust Fund, provide jobs, etc.

Prior to the Airport and Airway Development Act of 1982, all privately owned public use airports were, by law, categorically denied the right to compete for FAA grants. That particular Bill, for the first time, allowed a small select group of privately owned, public use, airports to also compete if they qualified under FAA's strict "reliever" criteria. Very few did qualify initially, leaving the great majority of privately owned, public use airports (many in the NIPIAS), still locked out. It was still not a very level playing field.

Although we always encouraged public (local government) takeover of these privately owned facilities especially when they were under threat of closure, that seldom worked and it was usually quite expensive to the funding agencies when it did work. Furthermore, that was a slow deliberate process which did not allow prompt intervention when that was needed.

After helplessly watching a number of these facilities close before our eyes with little likelihood of new replacements being built, we started to recognize this category of airport as an "endangered species" worthy of special attention and prompt action.

The then recently passed "private reliever" program presented an irresistible opportunity to try and address this "preservation" problem and also level the playing field for all GA Airports at the same time. We did so by first establishing clear policy in the New York Transportation Master Plan of 1987 (copy of relevant pages, attached) which in essence endorsed the notion of pursuing a State GA Airport Preservation Program as part of the Federal GA Reliever Program. The key policy statement on page 11.5.16 is, "qualify as many privately owned public use facilities as possible for federal funding. This would provide another option for preserving airports".

At the time, there was strong support for this notion within the FAA hierarchy and they agreed to employ a provision of the reliever designation rules which permit's a particular State to designate relievers as part of it's State System Plan without necessarily adhering to the FAA prescribed criteria for designation.

Under the leadership of New York's Regional Planning Agencies,

a three part committee was formed consisting of the FAA, NYSDOT and themselves for the purpose of developing a New York State criteria for designating GA Reliever Airports based on the principle that they all provided relief in varying degrees to the entire system of Commercial Service Airports. The eventual outcome of this effort was that 25 privately owned public use airports were so designated which allowed them, for the first time, to compete for Federal Aid if they so chose. As a result, 21 of those have thus far applied for and received funding for planning studies and 9 of them, at last count, have successfully secured capital grants with more in the pipeline. From a government perspective, these airports accepting capital grants have been preserved for at least 20 years.

There was the understandable apprehension of airport owners to grant the 20 year assurance, however, as more of them sought legal advice and shared information, their collective comfort level evidently increased.

Although many FAA grants were offered and accepted and many legitimate planning and capital needs thereby met, reliever designation, in and of itself, was never intended to be a commitment to fund, or accept funds, by either party. It was merely intended to allow (not require) FAA/State to readily offer grants for the purpose of rescuing an airport that was about to close. As it turned out, however, this class of public airport was soon found to have far greater needs, in general, than did it's publicly owned counterparts (Surprise...Surprise). Consequently, their grant applications were very competitive and the money flowed accordingly to the tune of over \$7M.

An additional benefit of the reliever designation is that, even without a 20 year assurance, a possible future buyer could be induced to continue it as an airport because of its potential to receive federal aid.

Pursuing the above policy sometimes flew in the face of traditional system planning principles and as a result, encountered pockets of resistance (and still does). However, providing an option to save airports served the higher calling and, therefore, was found to be justified by both New York and the FAA.

In the last seven years or so since the above program was enacted, I'm aware of only one privately owned public use airport that has closed in New York, Ramapo, and that was at the very beginning of the period before things really got organized. I contend that this program has stemmed the tide of closings in New York and, without it, a number of them would have otherwise succumbed to the relentless economic pressures that they must endure. I'm aware that New Jersey also has a number of privately owned airports that have been designated as "relievers", however, perhaps there are others that fall in this category that could also benefit from a similar initiative.

The above initiative if advanced today, would not have the same degree of success at all due to the negative environment that has since developed around the "reliever" issue resulting in a reduced funding "set aside" and threats to further dismantle the program

To those who say that this negative environment was caused by an alleged "over designation" in New York and possibly to a lesser degree in New Jersey, I'd refer to the GAO Report RCED-94-226 which indicates that their negative findings were based mostly on detailed reviews of the reliever programs in 5 of FAA's 9 Regions. Our own Eastern Region was not one of them. Furthermore, said report cites the lack of need, in general, of more GA capacity. That seems to be a "current state snapshot" which needs to be balanced against the proven reality that GA capacity, lost in the meantime, is essentially not replenishable for the longer term (endangered species effect).

Although the Reliever program funding level has been diminished, and FAA attitudes possibly poisoned in that regard, there is still justification to press FAA and Congress to recognize the program's unintended but significant side-benefits, i.e. of preserving airports, in general, and in reversing some of the institutionalized discriminatory practices, as another. However, many of the gains already attained from this effort could be lost, retroactively, if the "reliever bashers" prevail and de-designation or some other dismantling actions occur as has been rumored.

Issue: GA Airports' most critical needs for survival and how a new State funding program provides opportunity to take a "clean sheet" approach in addressing those needs.

For many years we witnessed the traditional FAA and State matching grant programs fund numerous safety related projects and construction/rehabilitation of the so-called non-revenue producing parts of Airports like runways, taxiways, etc..

Over the many years, this had caused a very unbalanced condition whereby many airports have...several safety aids, sound pavements and lighting systems yet they often have insufficient or inadequate hangaring facilities, leaking and outdated fueling facilities and more often than not, a teetering balance sheet or operating statement.

We in New York vowed that if we ever got a state funding program that allowed us to go beyond simply matching FAA grants, that we would attempt to correct that imbalance. That happened in 1993 in the form of a \$10M four year program called the Special Transportation Aviation Program (STAP). In that case, we received concurrence to design it around economic objectives, as opposed to safety and capacity objectives, which we contended to be

FAA's charge in administering their grant program.

Some of the key principles of the program were then determined to be;

- That the projects contribute toward the financial stability of the airport and the jobs/economic development of it's service area.
- That the money not generally be used for conventional federally eligible projects on the theory that those projects would eventually receive that funding at 90%. However, if it were deemed that such a project would not likely receive such federal funding within 5 years, then it could be eligible for this program.
- That the program target those type of capital projects that have been traditionally ineligible for federal funding because they were considered "revenue producing", while giving special notice to those airports that were looking to close because of insufficient revenues versus expenses. In this program, all revenues derived from a facility funded through this program must cover direct expenses first and otherwise contribute to an operating/capital reserve account, i.e., stay on the airport.

As a result, projects were funded at 100% state funding at 38 airports. I'm attaching a recent status report of that program which includes a list of the projects, the recipient airports and the state grant amount. You'll note a preponderance of new T hangar projects, rehabilitation of existing hangars, fueling facilities and the like, mostly at GA Airports on the theory that these state funds should directly facilitate revenue enhancement. In other words provide seed money to help them help themselves right now.

I understand that New Jersey could soon be getting a program similar to what NY got 2 years ago, and like NY, has the opportunity to consider new innovative objectives for that program. I offer the "New York Story" should it be of any help in structuring New Jersey's programs.

ISSUE: Adequacy of Airport signing from roads and highways

This was a most gratifying and low cost program which emanated from numerous complaints over the years that one couldn't find our airports from the ground. Although this pertained mostly to the smaller GA Airports, it also pertained to the GA portions (FBO areas) at some of the Air Carrier Airports.

With some FAA System Planning Grant assistance, undertook this assessment through NYSDOT's Traffic and Safety Office. As a result, and in coordination with the many County and Town Highway Departments, established over 60 new signs guiding the public to New York's Airports.

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CONCLUSION:

I appreciate the opportunity of providing testimony to your Committee and I also appreciate the support and indulgence of my employer, McFarland Johnson, Inc. in allowing me to do so.

I would be happy to answer, or attempt to answer, any questions that the Committee may have either now or in the future.

ATTACHMENTS:

New York State Transportation Plan (1987), cover and pages 11.5.15 through 11.5.17

Letter (not dated), Clarence Cook to Ken Hoyt, Editor of Airport Services Magazine. This letter, sent shortly before his 2/1/89 retirement date, reinforced the above Plan's recommendations.

New York's Special Aviation Transportation Program:

- Status Report of Projects, 1/26/95

John J. McFarland
11/21/95

S/x

STATE TRANSPORTATION MASTER PLAN:
REBUILDING NEW YORK



NEW YORK STATE DEPARTMENT OF TRANSPORTATION
MARIO M. CUOMO, GOVERNOR FRANKLIN E. WHITE, COMMISSIONER

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All airports that are identified in the Integrated National Airport System Plan should be eligible for federal funding. Only publicly owned and privately owned reliever general aviation airports are now eligible and the loss of privately owned, national system airports has been accelerating. Off-airport ground access projects that are clearly related to airport activity should be eligible as well. Projects for mitigating noise problems should continue to receive priority funding.

The states should plan and develop airport systems that are integrated and coordinated with other modes of transportation. They should administer the programs for general aviation and small commercial service airports while the federal government would continue to administer the airport aid program for the large commercial airports. Local government and operating authorities would continue to operate and develop facilities to meet local, state and federal needs.

RECOMMENDATIONS

Near Term:

- o Support airport improvements, including runway extensions, terminal expansions, and access in accord with airport system and service plans. The State will participate in funding needed capital improvements to airports to the extent possible. Improvements have been made to runway extensions at Endicott and Fulton (Oswego County Airport) and are being considered at Oneonta. Major airfield rehabilitation has been completed at Montgomery, Massena and Plattsburgh, and is underway at Dunkirk and Syracuse. Possible additional terminal development is being considered at Buffalo, Rochester, Syracuse and Albany. Runways at a number of general aviation airports need to be extended to 5,000 feet to handle business jets, and navigational aids should be provided to assist business jets and larger commercial aircraft at smaller airports. The State should monitor passenger and cargo improvements at Kennedy and LaGuardia and assess their impact on needed ground access improvements.
- o Encourage development of new publicly owned general aviation airports and the upgrade of others. Needed general aviation airports should be evaluated for communities currently without service. Work is underway on a facility for Fulton County; Seneca County, southern Erie County, and Canandaigua are other candidates for such facilities. Development and upgrading of other general aviation airports should be supported where feasible.
- o Coordinate airport development and capital improvement of facilities with service and system plans. The State Airport System Plan and capital programs for airports need to be better coordinated. A needs-based inventory of all facilities should be supplemented by planning and management programs for both the near and long terms. More systematic and equitable airport development is needed.

- o Enact legislation with respect to "first refusal rights". If a privately owned airport is in danger of being sold for non-aviation purposes, a local public agency should have the opportunity to purchase the airport to ensure its continued operation.
- o Encourage and monitor federal legislation to reauthorize the Airport and Improvement Program beyond 1987. Changes to the existing federal program should reflect the roles of the local, state, and federal partnership that exists in today's aviation system. It should address needed changes in program administration, funding, and funding eligibility.
- o Qualify as many privately owned public use facilities as possible for federal funding. This would provide another option for preserving airports.
- o Assist eligible airports in securing Essential Air Service (EAS) funds and seek continuation of the program beyond its planned elimination in 1988. There were 13 airports potentially eligible for this program in the State; only five are receiving EAS funds. The Department will continue to assist the five airports currently on the program to ensure that essential air service is maintained. If other essential air service airports require subsidies in the future, the Department will help them secure EAS funds as well. The Department will seek continuation of this federal subsidy program since scheduled service to communities served by the program is doubtful otherwise.
- o Develop Stewart Airport as a major air carrier airport in the New York Metropolitan region. As the largest airport in the State in terms of land area, Stewart has the greatest potential to expand without harming surrounding communities. Stewart can handle the largest aircraft and has the most sophisticated navigational equipment available, enabling it to operate safely in all weather. Its proximity to the New York metropolitan area and major highway arteries makes the airport easily accessible to major markets in the East. Stewart is already the major animal import/export center in the East, and has tremendous potential as an air carrier reliever airport.
- o Monitor the growth of shuttle type airline service for its effects on travel patterns and competing passenger transportation modes. Deregulation of airlines has brought about new shuttle type, "no-frills" airline services. Such service appears to be able to link cities only a few hundred miles apart at prices competitive with rail or bus service.

Long Term:

- o Encourage development of federal programs that are responsive to New York State needs and allow a stronger State role in aviation planning and development. Even though Department officials are consulted, currently, federal funding is administered directly to the airports. For primary airports, the State has little say as to which projects are to be implemented. Federal funding decisions are made with an orientation toward the national system of larger airports and are not guided by

State needs. A consistent, statewide planned approach to airport development projects requires that the State be given more responsibility for administering federal aviation funds.

- o Plan additional reliever airports as the need to divert air traffic from major airports warrants. Each primary airport in New York State should have at least one reliever airport for general aviation aircraft. Accordingly, the Department is promoting the designation of the Stormville Airport in Dutchess County and Tri-Cities Airport in Broome County as primary general aviation relievers. In addition, designation as secondary general aviation relievers will be pursued for Suffolk County, Mahopac, Frankfort-Highland, Kamp, and Corning-Painted Post airports.
- o Evaluate the need for a State program to assist development at State System airports. Such a program would be in addition to on-going programs, would provide new State funding independent of federal programs, and would increase flexibility to allow State funding to improve privately owned airports.



STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
ALBANY, N.Y. 12232

FRANKLIN E. WHITE
COMMISSIONER

Mr. Ken Hoyt
Washington Editor; "Airport Services"
6336 Lakeview Drive
Falls Church, VA 22041

Dear Mr. Hoyt: *Ken*

This will be my last communication of this sort representing New York State, as I will be retiring from State service effective 2/1/89.

You've sent several notes recently asking what we're doing about saving endangered airports. Well first of all, we're trying to publicize the problem. See our attached newsletter in which B. Manton gives specifics in the Central New York area.

More importantly, however, NYS DOT has specifically addressed the problem in its State Transportation Master Plan, of which we also attach a copy. Please note the policy recommendation on 11.5.16 [. . . Qualify as many privately owned public use facilities as possible for Federal funding. This would provide another option for preserving airports . . .] Our first effort to implement this policy was to influence the AIP program so as to make all "system" airports eligible whether they be public or private. Our philosophy was that . . . if a public use airport qualifies for "system" status and it contributes into the trust fund through fuel sales, etc., it ought to, at least, be able to compete for Federal AIP funding like its publicly owned siblings. Although AOPA and a few others supported that position, it was not included in the latest AIP, as we both know, and the only way one can qualify under present rules is to be designated a reliever, or have extensive activity equivalent to Commercial Service status.

The only remaining way to implement our policy now, is to interpret the reliever designation rules liberally and therefore qualify as many as possible. Pursuing that objective sometimes flies in the face of traditional system planning principles and as a result, encounters pockets of resistance. However, providing an option to save airports serves the higher calling, in our opinion, and is therefore justified. To that end, we've been instrumental in bringing about 3 private reliever designations with several more in the pipeline. Capital grants have been given to two of those so far, each of which had been hanging in the balance for years. Their existence as airports is now guaranteed for at least 10 more years.

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To those that fear that such a movement would result in emptying the trust fund into those supposedly "unworthy airports", they should be reminded that making them eligible for funding does not necessarily mean that they will receive funding. It would merely mean they would no longer be discriminated against because of their privately owned status and, furthermore, funding decisions for both categories should continue to be based on hard data, e.g. based aircraft, operations, (local/itinerant), population served, etc. In certain instances, however, the usual criteria may have to be waived in order to reach and possibly save a system airport which may otherwise revert to other land uses. However, if they haven't previously been found to be eligible, we would be powerless to act in this State.

We concur with the Administration's philosophy on Federalism as it pertains to airport programs, e.g. to create partnerships with the private sector. In doing so, we would have an opportunity to expand the system for 10 or 20 cents on the dollar, versus, the far more expensive alternative of expanding only through the public sector, which seems to be a current mindset.

To those that would argue that such a movement would increase competition for the publicly owned GA airports and therefore threaten their existence, our answer is that those free market forces should be allowed to act as in other businesses and perhaps some publicly owned airports would have to run tighter ships. Furthermore, the publicly owned airports have received sizable funding over the last decade. Perhaps the private sector should have its turn.


In any event, we see the role of States as providing additional capacity by enhancing the secondary system thereby providing more collective relief to the primary system. However, before we can provide additional capacity, we must first curb the loss of our existing capacity.

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Mr. Ken Hoyt
Washington Editor; "Airport Services"

As I get off my soapbox, I'd like to commend you for the courageous and forward thinking positions you've espoused through the years in your writings. It has certainly been a pleasure knowing you and working with you in this business and I have appreciated your support. However, since I will be moving to the private sector of this same business, I'm sure our paths will again cross

Good Luck and Good Health.

Sincerely,



Clarence M. Cook
Director
Aviation Division

CMC/RPM/DEH
1K9MHPRL

FUNDING YEAR	AIRPORT REQUESTED YEAR	PROJECT	APPROPRIATION AMOUNT	CONTRACT NO.	PI NUMBER	GRANT SENT TO SPONSOR	GRANT RETURNED BY SPONSOR	GRANT APPROVED BY S.C.	CUMULATIVE PAYMENTS PROCESSED	NOTES
1985	BINGHAMTON (34)	EQUIPMENT REPLACEMENT	\$125,000							
1985	BUFFALO INTL (34)	POLICE VEHICLE (2 PER YEAR)	\$40,000							SUBSTITUTE PROJECT
1985	BINGHAMTON (34)	WATER SYSTEM IMPROVEMENT	\$98,000							SUBSTITUTE PROJECT
1985	ONEONTA (36)	MAIN HANGAR REPAIR	\$6,000							SUBSTITUTE PROJECT
1985	ONEONTA (36)	ENTRANCE ROAD AND MAIN TERMINAL ASPHALT REPAIRS	\$30,000							SUBSTITUTE PROJECT
1985	ONEONTA (36)	LANDSCAPE MAINTENANCE	\$70,000							SUBSTITUTE PROJECT
1985	LONG ISLAND (34)	AIRPORT GUEST COTTAGE	\$70,000							SUBSTITUTE PROJECT
1985	LONG ISLAND (34)	AIRPORT GUEST HOUSE	\$70,000							SUBSTITUTE PROJECT
1985	LONG ISLAND (34)	THREE AIRPORT MAINTENANCE OPERATIONS VEHICLES	\$28,000							REPLACED BY SEVERAL OTHER PROJECTS
1985	LONG ISLAND (34)	TWO AIRPORT SECURITY VEHICLES	\$40,000							SUBSTITUTE PROJECT
1985	LONG ISLAND (34)	RUNWAY AND TAXIWAY VACUUM UNIT	\$180,000							SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	POLICE VEHICLE (2 PER YEAR)	\$130,000							REPLACED BY ABOVE PROJECTS
1985	BUFFALO INTL (34)	PURCHASE RUBBER BLADE SNOWPLOW	\$130,000							REPLACED BY ABOVE PROJECTS
1985	BUFFALO INTL (34)	PURCHASE STREET SWEEPER								SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	HYDROCLIPPER COMPLIANCE	\$400,000							SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	REPLACE WEST TERMINAL CONVEYOR	\$80,000							SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	2 SETS OF PROPELLED AIR BROOMS	\$380,000							SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	2 SETS OF PROPELLED AIR BROOMS	\$380,000							SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	TERMINAL RENOVATION	\$200,000							SUBSTITUTE PROJECT
1985	WARREN COUNTY (34)	MAIN ACCESS ROAD IMPROVEMENT	\$200,000							SUBSTITUTE PROJECT
1985	BINGHAMTON (36)	HANGAR DEVELOPMENT	\$100,000							SUBSTITUTE PROJECT
1985	NIAGARA FALLS (34)	COMPLETION OF TERMINAL RENOVATION	\$100,000							SUBSTITUTE PROJECT
1985	HORRILL (36)	FUEL FARM	\$400,000							SUBSTITUTE PROJECT
1985	PENNY VAN (36)	Y-HANGARS	\$400,000							SUBSTITUTE PROJECT
1985	ROCHESTER (36)	2 ALL-WHEEL DRIVE TRUCKS WITH ATTACHMENTS	\$180,000							REPLACED BY ABOVE PROJECTS
1985	ROCHESTER (36)	REHAB TAXIWAY "D"	\$180,000							SUBSTITUTE PROJECT
1985	ROCHESTER (36)	TERMINAL RENOVATION	\$800,000							SUBSTITUTE PROJECT
1985	SYRACUSE (34)	GENERAL MAINTENANCE ROAD	\$800,000							SUBSTITUTE PROJECT
1985	SYRACUSE (34)	TERMINAL BUILDING RENOVATION	\$800,000							SUBSTITUTE PROJECT
1985	ALBANY (34)	PARKING LOT RENOVATION	\$410,000							SUBSTITUTE PROJECT
1985	BINGHAMTON (36)	2 FRONT END LOADERS WITH ATTACHMENTS	\$410,000							REPLACED ABOVE PROJECT
1985	ROCHESTER (36)	REHAB TAXIWAY "H"	\$40,000							SUBSTITUTE PROJECT
1985	BUFFALO INTL (34)	POLICE VEHICLE (2 PER YEAR)	\$40,000							SUBSTITUTE PROJECT

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