

## **New York Aviation Management Association**

The New York Aviation Management Association (NYAMA) appreciates the initiative of Governor Paterson and efforts of the State Energy Planning Board and Energy Coordinating Working Group to address the recent rapid increase in energy costs and examine long term policies to improve the State's energy use and management.

NYAMA represents airport managers, other key airport employees, and their respective communities at hundreds of public and private commercial service and general aviation airports throughout New York State. NYAMA's membership includes representatives from small regional airports to major airport hubs, FBOs, consultants, engineers, industry suppliers, educational institutions, government representatives, and other interested individuals. NYAMA is the only statewide aviation management trade association in New York State.

Airports are economic engines fueling growth in the communities they serve, and a critical component in the State's transportation system network. The economic and modal benefits of New York State Airports are impressive. Over \$35 billion in annual economic activity of New York State businesses and institutions is attributable to aviation and almost 350,000 state residents work directly or indirectly in aviation. As a result of this, more than \$2.8 billion in State and local taxes are generated from aviation activities. On a typical day, about 230,000 people board and deplane commercial aircraft in this state and it is estimated that 40,000 visitors arrive at New York airports.

### **Draft Scope**

NYAMA finds the Energy Plan draft scope to be a comprehensive outline of the key issues in energy planning which clearly recognizes the complex factors involved in this discussion. The following suggestions are presented as some additional areas which should be considered throughout the planning process, or more clearly delineated in the draft scope document.

### ***Examine Existing and Additional Funding Sources***

While some elements of the State's Energy Plan can be enacted and impacted at a macro level, it is clear that much of the energy efficiency improvements are realized on an industry and micro level. Consequently, the draft scope should include an examination of existing and new funding sources available for implementation of alternative fuel and high efficiency equipment at the State's airports and other transportation systems. Such examination should discuss the types and quantity of funding available, as well as the regulations governing the amount and usage of those funds.

For example, the aviation industry currently has access to a small funding source called AIR '99, which can be used for the purchase of equipment and other capital assets at airports. At the time the funding source was created, a \$300,000 cap was placed on grant projects. While that was an appropriate cap when the program was created, rising costs of equipment since then significantly limit the usefulness of the program. Regulatory updates to increase the project cap would improve the opportunity for airports to use that

funding to purchase fuel efficient equipment. Such changes would not require additional funding, but simply an adjustment of existing funding sources to provide the necessary flexibility. While this particular funding source is relatively small, and additional funding would certainly be necessary to make any significant impact on total efficiency improvements, it is representative of the type of thinking that must take place to ensure maximum efficiency of available funds is realized.

### ***Intermodal and Interstate Transportation Sensitivity***

Rising transportation costs have arguably been the most visible and direct impact area for consumers. The direct effect of increased energy prices on commutes to work, intrastate and interstate business travel, and freight costs for food and other commodities have been felt by nearly every citizen of the State and nation. It is clear that the Energy Plan must place special emphasis on the diverse and complex transportation system in New York State.

While examining transportation issues, we encourage the Working Group to have special sensitivity toward intermodal and interstate issues. At times in the past, New York State has enacted good faith laws and regulations directed toward one mode of transportation that has had unintended harmful consequences on other modes. Further, the State must be cautious about enacting regulations at the State level that potentially impacts interstate commerce. Because of the national and global reach of aviation and other transportation modes for passenger and freight travel, many types of proposed regulations must be discussed at a broader level than the State.

The aviation community has been directly impacted by both intermodal and interstate insensitivity in the past, and urges the Working Group to act with caution and seek industry input throughout the energy plan development process.

### ***Price Speculation***

It has become clear in recent months that the increased price of oil and other energy sources are not simply a result of supply and demand market factors. While speculation plays a valuable role in the nation's general economic workings, it has been a significant culprit in the recent rapid rise in oil costs. New York State, working with the Federal Government, must make every effort to ensure this market-mechanism does not continue to escalate prices artificially. While elements of the draft scope presumably anticipate examination of this factor, we believe it is significant enough to warrant specific reference in the draft scope document.

Thank you for the opportunity to submit comments and meet with members of the Working Group to discuss the concerns and issues pertaining to the aviation industry. We look forward to participating in ongoing dialog as the Energy Plan is developed and implemented.