
TO: AIRPORT COMMISSION

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SUBJECT: Legislative Update

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FEDERAL

Fiscal Year 2024 Federal Appropriation

After six-months of continuing resolutions the Congress finally passed all the appropriation spending bills for the remainder of the Federal Fiscal Year, which ends on September 30. The U.S. Department of Transportation portion of the bill includes \$3.35 billion for the Airport Improvement Program (AIP).

The minibus spending bill that included the Transportation Security Administration (TSA) and Customs and Border Protection (CBP) was signed into law on March 23, 2024.

For TSA this included \$10.57 billion, an increase of \$1.247 billion from FY23. The bill includes money to:

- Support aligning compensation with other federal workers
- Hire more TSA Officers to meet growing passenger volumes
- Staff airport exit lanes
- Buy screening equipment

The bill also reduces the security fee diversion in half with half of the fee going towards deficit reduction and the other half going to aviation security. Finally, the bill included language that states that Members of Congress and other federal officials should not be exempt from federal passenger and baggage screening requirements.

On the downside, the bill also eliminated funding for law enforcement officer reimbursement grants and canine reimbursement stipends. Previously the San José Mineta International Airport (SJC) received roughly about \$500,000 annually from these two programs. This does not represent the totality of the costs associated with providing security at the Airport.

For CBP the law provides \$19.6 billion for CBP, an increase of \$3.2 billion from FY23, including money for 300 new CBP officers.

FAA Reauthorization

[The FAA Reauthorization Act of 2018](#) was signed into law on October 5, 2018. It extended FAA's funding and authorities through federal fiscal year 2023, which ended on September 30, 2023. As part of a continuing resolution, Congress passed a bill extending the FAA's authorization for three months, through December 31, 2023. Congress passed another extension (HR 6503) providing the FAA authorization through March 8, 2024. This deadline was again extended to May 10, 2024. FAA Reauthorization provides FAA with the authority to collect taxes and fees on passengers, cargo, and fuel and spend revenue through the end of the year.

On April 29 2024, the House and Senate transportations committee leaders unveiled [a bipartisan and bicameral FAA reauthorization bill](#) that would increase AIP funding to \$4 billion annually, authorize \$350 million to help airports transition to fluorine-free firefighting foam, and usher in a long list of policy changes to help airports of all sizes.

Some of the highlights of this bill include:

- Authorizes \$4 billion annually for AIP
- Authorizes \$200 million annually for discretionary airport grants that focus on resilience and runway safety projects
- Authorizes \$350 million for a new PFAS replacement program
- Streamlines the PFC application process
- Take steps to improve staffing and equipment at contract towers
- Authorizes \$20 million annually for three workforce development programs
- Lowers the PFC 'turnback'. Under current law, large and medium hubs that impose a PFC above \$3 are required to "turnback" 75 percent of their AIP entitlements. This bill would reduce that turnback to 60 percent
- Requires airports to sell 100-octane low lead aviation gasoline until the earlier of 2030 or the date on which a FAA-certified unleaded aviation gasoline alternative can be made available

The bill did not include two controversial proposals. Senator Cruz (R-TX) had a proposal to require security escorts to lawmakers and other federal officials along with their family members and staff. This was estimated to cost up to \$500 million annually. Senate Merkley (D-OR) and Senator Kennedy (R-LA) had a proposal to prohibit or severely restrict the TSA from using biometric facial matching technologies at security checkpoints. This proposal had the potential to reduce aviation security and create longer lines at security checkpoints. Neither of these proposals were included in the final legislation.

Fiscal Year 2025 Federal Appropriations

The FY2025 spending bills for are already being drafted in the House and Senate. With the FAA Reauthorization increasing AIP funding authorization, airports are looking to having the appropriation money follow suit and appropriate the same amount for AIP in FY2025. For TSA, Airport are requesting that funding continued for TSA exit lane staffing and that funding be restored for law enforcement officer (LEO) reimbursement program and for state and local-led canine teams in the upcoming Department of Homeland Security appropriations bill.

STATE

California Bill Update

2023 Legislative Session – Bills to Monitor

- AB 929 (McKinnor)
 - Permits continued consumption of alcohol outside the designated concessionaire areas within an airport terminal. The California Airports Council supports this bill.
- SB 720 (Stern)
 - Requires Governor's Office of Business and Economic Development (GO-Biz) to create a stakeholder group to identify and pursue opportunities to attract and develop sustainable aviation fuel production and infrastructure in the state to help reach the goal of net-zero greenhouse gas emissions in California. Creates additional reporting requirements to the California State Air Resources Board for public and private airports with more than 50,000 annual takeoffs in a disadvantaged community. Violations of certain provisions of this proposed bill would be a crime. The California Airports Council opposes this bill as currently written.
- SB 903 (Skinner)
 - Bill to phase out the sale of products with perfluoroalkyl and polyfluoroalkyl substances.

The City of San José is supporting SB 1193 (Menjivar). This bill would prohibit an airport operator or aviation retail establishment, as defined, from selling, distributing, or otherwise making available leaded aviation gasoline to consumers. If the provisions of this bill conflict with a federal grant assurance in effect on or before January 1, 2025, that provision shall not apply to an airport operator subject to that grant assurance until the federal grant assurance expires.

The City of San José is opposing SB 1372 (Newman). This bill would prohibit airports from entering into an agreement with a private third-party vendor that provides expedited security screening to use the standard security lane or the TSA PreCheck security lane. The Airport has a contract with CLEAR that provides this service at SJC. This service is quite popular. It improves the customer experience, maintains an effective and efficient the passenger screening process, ensures faster security screening at airports, and produces revenue for the airport.