

Wyoming Aeronautics Commission

May 2002

Management Audit Committee

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Wyoming Legislative Service Office

EXECUTIVE SUMMARY

Wyoming Aeronautics Commission

Program Evaluation Division

May 2002

Purpose

The Management Audit Committee requested an evaluation of the Wyoming Aeronautics Commission's mission and purpose, including a review of similar entities in surrounding states.

Background

The Wyoming Legislature created the Aeronautics Commission in 1937. Seven Commissioners are appointed by the Governor and confirmed by the Senate.

With staff assistance from the Aeronautics Division of the Wyoming Department of Transportation, the Commission disburses state funding from the Transportation Fund to the state's 40 airports. The federal government underwrites most of the cost of Wyoming's airport infrastructure; Commission-approved state funding serves as part of the federally-required "local match."

Results in brief

In addition to its grant-making function, some state government officials want the Commission to become active in improving air service in the state. However, the Commission's statutory charge, as reflected in W.S. 10-3-101 et seq., does not address air service issues, nor do statutes assign this responsibility to another agency. Further, Commission statutes have not been updated to reflect changes in the nation's aeronautics environment following deregulation in 1978.

Whether the Commission should continue to exist has been debated for almost two

decades. Currently, the argument focuses on the Commission's capacity to address far-reaching air transportation issues. However, the Commission's statutes do not mandate that duty and it has no staff or budget with which to act on those issues.

A review of other states' organizational structures suggests there is no generally accepted norm for aeronautics commission goals or purposes. Nevertheless, some neighboring states' commissions are proactively addressing rural air service preservation and development.

Recommendation: The Legislature should consider statutory changes to (1) segregate grant duties and (2) create a state-level focal point for air service advocacy.

We believe the Wyoming Business Council is the state-level entity best positioned to promote commercial and general aviation air service in the communities. We recommend the Legislature consider amending statutes to give:

- the Business Council responsibility for air service promotion grants.
- the Transportation Commission authority to approve airport infrastructure grants.
- the Aeronautics Commission new duties, or disband it.

Regardless of how duties are realigned, the Legislature needs to ensure broad-based representation in the body that advocates for improved air service.

Conclusion

State officials and residents see Wyoming's air service as being of critical importance to economic well-being. Designated leadership is needed to prepare for federal aeronautics policy shifts in the future, and to position Wyoming as a proactive force with regard to improving the state's air service. Without statutory clarification and specific direction, we see little prospect for coordinated and targeted state-level action on behalf of aviation.

Agency Comments

The Aeronautics Commission agrees with the report's recommendation that Wyoming needs a new approach to aeronautics and that an important first step is updating Wyoming statutes relating to aviation. However, the Commission believes aviation should retain a strong and autonomous voice. It supports designation of a single coordinated agency responsible for aviation in Wyoming with sufficient resources to accomplish specified objectives.

INTRODUCTION

Scope

Scope

W.S. 28-8-107(b) authorizes the Legislative Service Office (LSO) to conduct program evaluations, performance audits, and analyses of policy alternatives. Generally, the purpose of such research is to provide a base of knowledge from which policymakers can make informed decisions.

In October 2001, the Management Audit Committee directed staff to undertake a review of the Wyoming Aeronautics Commission. The primary function of the Aeronautics Commission is disbursing state grants-in-aid for the construction and development of airports within the state. The Committee requested an analysis of several questions:

- What is the mission of the Aeronautics Commission and is it accomplishing that mission? Has the mission changed over time, and if so, how and why?
- Is the organizational location of the Commission appropriate to its current mission? Does its structure enhance or detract from its capabilities to address statewide air transportation issues?
- How does the Commission compare with similar entities in other states in terms of organizational position, mission, and ability to develop in-state air transportation?

Acknowledgements

The Legislative Service Office expresses appreciation to those who assisted in this research, especially to Aeronautics Commissioners, airport operators, and to the Aeronautics Division of the Wyoming Department of Transportation. We are also grateful to the many other individuals and organizations in Wyoming, the surrounding states, and at the national level who contributed their expertise.

Background

Aeronautics Commission

Created in 1937, the Commission's main function was search and rescue and licensing.

The Wyoming Legislature established the Aeronautics Commission in 1937 to enforce the Uniform State Law for Aeronautics. The seven Aeronautics Commissioners are volunteers appointed by the Governor and confirmed by the Senate; five represent geographic districts and two serve at-large. Commissioners serve six-year terms and can be reappointed. [See Appendix A for statutes, and map on page 2 for Aeronautics district boundaries.]

From a 1930s focus on conducting search and rescue and enforcing licensing requirements, the Commission's primary job has become one of disbursing state funds to maintain and improve runways and buildings needed for cargo shipping, air taxis and ambulances, military transport, and commercial flights. Federal deregulation of airlines in 1978, and Wyoming state government reorganization in the early 1990s, dramatically changed the Commission's role and authority to affect aviation.

The Commission Authorizes State Funding for Airport Improvement Projects

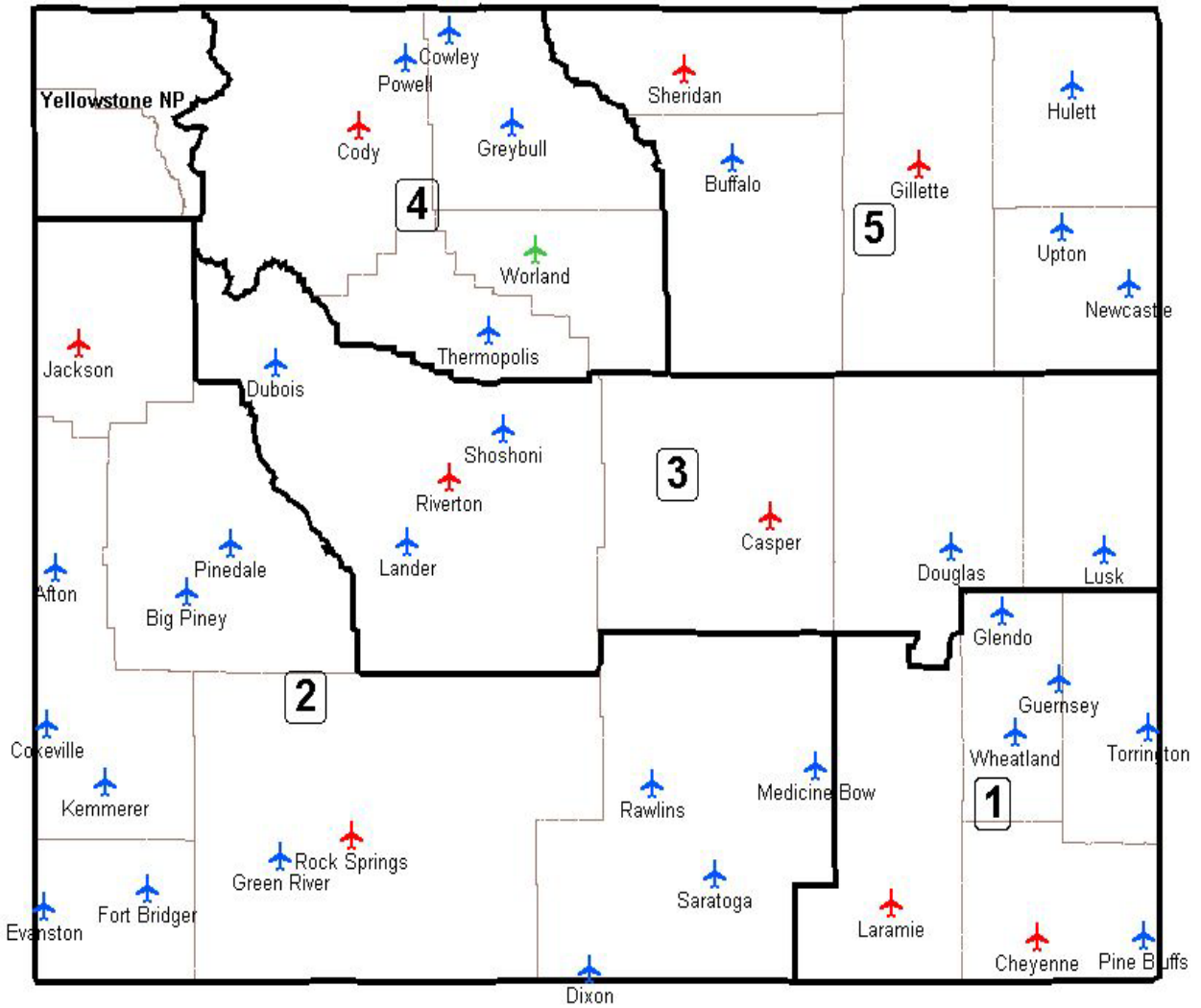
Now, the Commission approves grants for 40 Wyoming airports; 32 are also eligible for FAA funding.

Airport improvement projects can be funded by various combinations of federal dollars, state aid, and local resources. The Aeronautics Commission approves project-specific state funding for 40 public use airports that the Wyoming State Airport System Plan (WSASP) identifies as necessary to promote growth and improvement in the state's air transportation system. There are numerous private airstrips and airfields throughout Wyoming, but only airports in the WSASP are eligible to receive state grants-in-aid and loans from the Aeronautics Commission.

FAA and state officials believe Wyoming airports are above average.

The Federal Aviation Administration (FAA) has identified 32 Wyoming airports as being important to national transportation and security. They are eligible for FAA Airport Improvement Program (AIP) funding in addition to state funding; the remaining 8 WSASP airports are not eligible for federal funding. Wyoming Department of Transportation (WYDOT) and FAA.

Wyoming System Airports & Aeronautics Districts



Wyoming airports are locally owned.

officials consider Wyoming's airport infrastructure to be well maintained and above average. Wyoming airports are owned by cities, counties, and joint powers boards, and many have volunteer citizen airport boards that oversee operations. [See Appendix B for Wyoming airport system information.]

The FAA pays 90 percent of the cost of eligible airport projects.**Federal Funds Channeled Through State to Airports**

The majority of federal money spent on aeronautics in Wyoming goes toward planning and improving airport infrastructure. The FAA underwrites 90 percent of the cost, contracting with local airports for qualified infrastructure and planning projects.

Federal funds are channeled through the Aeronautics Commission to local airports; the Commission does not have a role in these decisions.

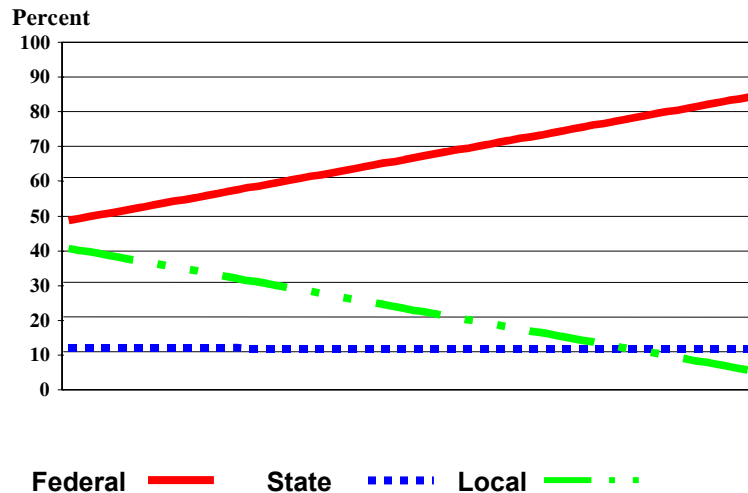
FAA discretionary money is available on a competitive basis.

Wyoming's share of the FAA's Aviation Trust Fund is determined annually by a complex formula based on the state's population, square miles, and federal acreage. Additional "discretionary" money may be available for projects competing regionally for money left over at the end of each grant period. Federal eligibility criteria determine whether infrastructure and planning projects at commercial and general aviation airports qualify for federal funding, or if a project will have to be funded with other sources. For the purposes of this report, "commercial" airports are those with regularly scheduled airline service to a hub, such as Denver or Salt Lake City. "General aviation" airports are those not served by a commercial airline.

The federal proportion of financing for airport infrastructure has increased over time [see Figure 1]. In 1938, the Bureau of Labor Statistics reported that the federal government paid 45 percent of the airport construction costs in Wyoming, local governments 54 percent, and the state paid 1 percent. In 2001, budget documents indicate a mix of 88 percent federal, 4 percent local, and 8 percent state funding for airport infrastructure.

Figure 1. FAA, State, and Local AIP Funding Proportions 1938-2002

Federal funding has increased over time, while local investment in airports has decreased.



Source: LSO analysis of FAA and Aeronautics Division Data

State Shares Local Funding Burden, By Choice

FAA requires local contribution to federally-funded projects.

The FAA underwrites 90 percent of the cost of approved projects, but requires the remaining 10 percent be funded by a “local match.” Federal regulations do not require a state match, but in Wyoming, the Aeronautics Commission, with support from WYDOT, has generally provided airports with at least half of that 10 percent, using state funding. The local match could be paid by anyone -- including private citizens -- as far as the FAA is concerned. In addition, airports may apply for state funding for projects not eligible for FAA grants. [See Appendix C for details on funding sources.]

WYDOT's Transportation Fund pays for airport programs.

The Transportation Fund, not the General Fund, is the source of the state’s funding for aeronautics-related programs, including airport grants. Airport grants, including both federal and state money, account for about 3.5 percent of WYDOT's budget. In addition, the Transportation Commission allocates funds from other programs to aeronautics at its discretion. These transfers are subject to the “B-11” process and must be approved by the Governor.

Most of WYDOT's budget does not receive legislative scrutiny. However, airport grant money, Aeronautics Commission expenses, and the Aeronautics Division's budget are subject to the legislative appropriations process.

WYDOT Supports Aeronautics Commission

Previously a stand-alone agency, the Commission became part of WYDOT in 1991.

Until reorganization of state government in 1991, the Commission was an independent operating agency with its own staff, budget, and equipment. With creation of WYDOT, the Commission became part of an "intermodal" transportation department encompassing highways, transit, bicycles, pedestrians, airports, and railroads. The Commission's budget and staff, much of its authority, and many duties were transferred to WYDOT's Aeronautics Division. Practically speaking, this left the Commission with the authority to disburse grant and loan money, but without its own staff or budget.

Aeronautics Division staff administer airport funding and operate state planes.

The Division's 16 staff manage the state's Airport Improvement Program and administer funding for airport construction, improvement, and planning. Among other responsibilities, the Division operates the state's aircraft used to transport state officials and employees on business around the state.

The Commission closely follows selection criteria, and tends to approve airport project funding requests.

To assist the Commission, Aeronautics Division staff rate individual airport grant proposals based on state and federal priority rating models and airport infrastructure plans. They forward the information to the Commission for final state funding approval. In recent practice, the Commission has rarely deviated from the rating models and planning documents.

The Commission holds two public meetings each year to approve applications for state grants-in-aid and loans. Local airports applying for state funds do not tend to leave Commission meetings empty-handed. Requests typically have been denied or tabled only when more information was needed from the airport. In 1997, the Legislature authorized the Commission to make loans, although few airport operators have taken advantage of this means of financing improvements.

Aviation Is Important for Economic Development

Good airport infrastructure and air service contribute to economic viability.

A sound airport infrastructure and vibrant commercial air service are important contributors to economic development. Some surrounding states' aeronautics commissions say building and maintaining a quality airport infrastructure is a means of attracting new businesses to rural communities. Other states'

aeronautics officials as well as Wyoming's economic development groups emphasize that businesses count on dependable and frequent flights to deliver both freight and passengers. One aviation official noted, "Big money doesn't come to town on a bus."

Tourism is Wyoming's #2 industry; most commercial air service is tourism related.

Tourism is Wyoming's second largest industry, and commercial planes flying in and out of the state cater to tourists. More than half of Wyoming's commercial flight passengers are vacationers coming to visit Grand Teton and Yellowstone National Parks and the Big Horn Mountains. [See Appendix D for information about commercial passenger enplanements.] General aviation is also tourism-linked: outfitters, guides, hunters, fishermen, climbers, and sightseers charter private planes to fly into the backcountry.

General aviation is an important component of aeronautics in Wyoming.

While commercial aviation has generated controversy due to rising prices and lower levels of service, general aviation is prospering. All Wyoming airports have general aviation operations, whose primary users are pilots, private plane owners, tourists and business travelers, cargo shippers (including mail service), hospitals, and fixed base operators (FBOs).

The presence of an FBO generates economic activity in a community as well as at an airport. FBOs sell fuel, give flying lessons and taxi people from place to place, rent hangar space and aircraft tie downs on landing strip "aprons" (parking areas), and provide aircraft mechanics. Air cargo also is big business; for example, FedEx has made Casper a regional hub.

No State Entity Focused on Air Service

Some want the Commission to improve air service, but this is not mandated in statute.

The Governor and some legislators have stated they would like the Commission to be as dedicated to air service issues and economic development as they are to improving airport infrastructure. The belief is that Wyoming's air service can be increased, that larger planes are economically viable, and that more affordable and reliable flights are reasonable and possible.

However, the Legislature has not formally directed any state government entity to work with airlines flying commercially to Wyoming cities and towns. Wyoming statutes do not charge the Commission with responsibility for improving air service, and

Wyoming lacks a central point of contact for air service related issues.

W.S. 10-3-401(b) specifically prohibits the Commission from using grant funds for airline subsidies. Consequently, the Commission does not conduct air service promotion campaigns, negotiate with airlines for better service, or lobby Congress for rural air service subsidies.

Lacking a coordinated effort in state government, individuals have no focal point for complaints about small planes, canceled and delayed flights, escalating ticket prices, and infrequent service. Flying from one Wyoming community to another requires flying first to an out-of-state hub, such as Denver or Salt Lake City, and paying ticket prices equivalent to travel across several states. A layover and the potential for canceled flights make spending hours in the car seem palatable.

Federal EAS program maintains air service to certain rural communities.

The federal government will pay to help restore airline service to some small towns that had service but lost it when an airline ceased to provide service. Under the federal Essential Air Service (EAS) program, Laramie, Rock Springs, and Worland are the recipients of federally-supported air service funding. Also, a new competitive federal program recently made funding available to rural communities for airport promotions and to entice new carriers, but it is not clear what effect the program may have on Wyoming.

Expectations Too High for Volunteer Board?

Commissioners say that without budget and staff, they can only make grants.

Aeronautics Commissioners say that as a volunteer board without their own staff or budget, they cannot do more than make grants for airport infrastructure improvements and maintenance, and airport promotion. It is WYDOT, not the Aeronautics Commission, that is running "Fly Wyoming" television advertisements. Division staff report they work with travel agents, the Wyoming Association of Municipalities, the Wyoming Business Council, and local airports to promote air travel. WYDOT officials also communicate with the federal government in an effort to protect, preserve, and expand air service. Despite these efforts, Division staff say there is little WYDOT can do alone to improve Wyoming's air service.

Thus, the federal government provides most funding for local airport infrastructure; the Aeronautics Commission approves a relatively small amount of state funding supplied by WYDOT; and WYDOT is making some efforts to improve air service.

Because this segregation of duties has been unclear, it is not surprising that the Aeronautics Commission's value has been under debate for more than ten years. This report addresses the question of whether the Wyoming Aeronautics Commission's focus should be expanded to include air service, or whether some other entity might be better suited to take on this challenge.

The Management Audit Committee identified several questions about the Aeronautics Commission to serve as a platform for resolving the protracted debate over the Commission's existence. This report examines areas of committee interest, which include the Commission's mission, organizational location, and its counterparts in other rural states struggling with air service issues.

Chapter 2

The Aeronautics Commission Is Not Focused on Air Service Issues

Evolving state needs have led to frustration with the Aeronautics Commission.

The Aeronautics Commission disburses state funding for airport development, construction, and promotion grants. Legislators, the Governor and the public continue to demand expanded, affordable, reliable air service. A belief seems to prevail that the Commission is the appropriate body to deal with all aeronautics-related issues. The discrepancy between what the Commission does, and what it is popularly expected to do, has resulted in frustration focused on the Commission for not resolving the problems.

Faced with a constantly shifting aeronautics environment and changing state-level aeronautics needs, the Commission has interpreted its statute narrowly and has derived its mission from this interpretation. In addition, the Legislature has missed opportunities to respond and adapt statutes to an evolving aeronautics environment.

For Years, The Commission's Usefulness Has Been a Source of Study and Debate

The Aeronautics Commission's existence has been argued for almost two decades. This debate has diverted state energy and resources to studies, analysis, and legislation drafted and introduced but not enacted.

Current debate over the Commission's usefulness focuses on its mission.

Since the early 1980s, the Legislature has been receiving reports on aeronautics in Wyoming from numerous government agencies. The Legislative Service Office (LSO) evaluated the Aeronautics Commission in 1984 and determined that the Commission was neglecting many of its statutory responsibilities. In 2001, the Management Audit Committee directed this LSO program evaluation to clarify the Commission's mission and organizational location and how they affect its ability to address air service. Recently, legislators also requested that the Department of Transportation (WYDOT) and the Wyoming Business Council commission a study on state air service needs.

Questioning the Commission's mission provides the state an opportunity to define aeronautics priorities.

Since reorganization, WYDOT directors have studied the Commission and recommended that it be sunsetted. The current WYDOT Director has proposed that the Aeronautics Commission be merged with the Transportation Commission, eliminated, or established as a separate operating agency.

Throughout, debate has centered on whether the Aeronautics Commission is performing its mission and should continue to exist. Continuous questioning of its existence has demoralized the Commission, and Commissioners themselves are now participating in the debate over their purpose. Nevertheless, we believe the process of questioning the Commission's relevance provides an opportunity for the state to strengthen its approach to aviation.

Consensus On the Commission's Purpose is Lacking

Observers argue over the purpose of having an Aeronautics Commission. We found there are many interests involved in the question, and also in the solution; each has concerns that need to be addressed. The following is a summary of the most prominent concerns and interests involved in the current debate:

Wyoming Airport Operators Association

Some constituents fear aviation may lose its voice if merged into WYDOT.

The Wyoming Airport Operators Association (WAOA), represents most of the state's general aviation and commercial airports. WAOA has strongly supported preservation of the Aeronautics Commission. WAOA's airport representatives value the Commission's biannual meetings; this gives them a "forum" in which to present proposals for state funding. WAOA members believe the Commission's existence helps ensure continued designation of airport infrastructure funds, and prevents aeronautics from "disappearing" into WYDOT.

Recently, however, WAOA members softened their stance. Some airport operators have found greater receptivity within WYDOT's new administration. The Transportation Commission's demonstration of financial commitment to aviation has allayed fears that airports are not valued within the Department's "intermodal transportation" planning and funding

process. However, airports' confidence in the Aeronautics Division and WYDOT appears to be personality-specific; should current staff depart, WAOA's airports may withdraw support.

WYDOT has favored merger of pavement funding functions.

Wyoming Department of Transportation

For the past ten years, WYDOT has advocated for merger of the Aeronautics and Transportation Commissions. Duplication of effort and Division staff effectiveness concern WYDOT officials, who see no reason the Transportation Commission could not approve airport infrastructure grants. Airport infrastructure dollars come from the Transportation Fund, with the approval of the Transportation Commission. Aeronautics Division staff already attend Transportation Commission monthly meetings and organize and host the twice-yearly Aeronautics Commission meetings.

Legislators

Some legislators hold that the Commission can and should "fix" air travel problems in Wyoming, suggesting that perhaps the Commissioners' authority needs to be expanded to do more than make grants. However, repeated legislative attempts to change the Aeronautics Commission's organizational structure have been defeated by WAOA lobbying.

Legislators and the Governor want the Commission to expand its areas of interest.

Governor

The Governor has said he envisions an intermodal transportation system that will benefit economic development, tourism, and the public. He has asked the Transportation and Aeronautics Commissions to work to that end, and to reduce the controversy over whether the Aeronautics Commission should exist, do more, or do something differently.

Wyoming's Aeronautics Environment Has Changed, But Formal Direction to the Commission Has Not

Wyoming's current aeronautics environment differs markedly from when the Aeronautics Commission was created in 1937. Changes in federal and state policies and priorities and evolving technology in the aeronautics industry have influenced, and will continue to affect, state aviation needs. Despite these external

An outdated statute has contributed to misunderstandings of the Commission's purpose.

changes, the Commission has been guided by a sometimes vaguely worded and outdated statute. Further, systemic problems inherent in the state's use of volunteer commissions inhibit the Commission from proactively responding to evolving aeronautics needs. These factors contribute to misunderstanding of the Commission's purpose and the current impasse over its future.

Among many changes, two events have had a particularly profound effect on what the Aeronautics Commission can, practically, be expected to accomplish. First, federal deregulation of the airline industry in 1978 dramatically impacted how airlines serve rural areas. Second, reorganization of state government in 1991 eliminated the Commission's authority over budget and staff. The Legislature's statutory response to these events has been incomplete and confusing.

Deregulation Changed the Aeronautics Commission's Sphere of Influence

The Federal Deregulation Act of 1978 is the direct cause of the current rural air service decline. The number of flights, cost of flights, and size of planes serving Wyoming are now a matter of choice for airlines. Prior to deregulation, the Aeronautics Commission worked with local entities and federal officials to choose airline service routes. Now, the statutory requirement (W.S. 10-3-201(c)(iv)) that the Commission establish and assist in developing air routes throughout the state is no longer applicable, as this is beyond the Commissioners' scope.

Federal changes mean the Commission has no direct influence over air routes and air service.

An expectation that increased competition resulting from deregulation would provide better price, choice, and service options to the flying public has, in fact, materialized for most of the nation. However, about 20 percent of the population living in smaller rural communities has not seen these benefits because such markets are not competitive. Wyoming has not found a solution to this problem, although blame for the lack of a solution often falls on the Commission.

Reorganization Transferred Commission Responsibilities and Authority to WYDOT

During government reorganization in 1991, consultants recommended that the Aeronautics Commission assume a

stronger role in advocacy for better air service. Reorganization statutes transferred most of the Commission's responsibilities and authority to the newly formed Aeronautics Division under WYDOT.

Reorganization transferred many Commission duties and authority to WYDOT, but did not redefine the Commission's mission.

The final step, however, was not taken. Although the Legislature had been advised to "attach" the Aeronautics Commission to the newly formed WYDOT Transportation Commission, the Aeronautics Commission remained separate. Instead of combining the two, the Legislature required WYDOT's Director to study the Aeronautics Commission's role in state government and make a recommendation on its fate. The Commission's new purpose, if any, was never made clear, and grant-making remained its only clearly-defined function.

The Commission Relies on Traditional Procedures and a Too-Broad Mission Statement

While statutory response to Wyoming's changing needs has been inadequate, this has not been the only obstacle to the Commission's becoming more responsive to state aeronautics interests. Aeronautics Commissioners are scattered across the state and meet just twice a year. They receive no formal training, and new commissioners learn the job from previous appointees. This "mentoring" system has not been adequate to ensure that a governmental body can be effective or responsive to state needs in a rapidly changing environment.

The Commission's new mission does not define its role in air service issues.

In January 2002, the Commission adopted WYDOT's mission as its own, after adapting the language to reflect an emphasis on aviation. This mission, "to enhance the economic well-being and quality of life in Wyoming by working with public and private partners to produce a safe and efficient transportation system," still does not define roles or expectations regarding air service issues any more fully than does the statute.

Statute Does Not Direct the Commission to Address Air Service

Statute does not prevent the Commission from taking positive action.

The Aeronautics Commission maintains that by statute, it cannot focus on air service. Members point out that the authorizing statute does not assign them formal responsibilities with regard to air service. While this is accurate, we believe there is no statutory prohibition against the Commission taking a proactive stance. W. S. 10-3-201 does not prevent the Aeronautics Commission from directly communicating its goals to the state Legislature, Congress, or local interests regarding air transportation and airport infrastructure issues.

The 1994 addition of W.S. 10-3-401(b), which allows not more than 5 percent of state grants-in-aid to be used for promotional projects, expanded the Commission's mission into airport promotion, but only minimally. Individual airports may apply for promotion grants to advertise for air service in their markets. Most commercial airports that have used this funding either purchased traditional advertising such as billboards and radio ads, or they commissioned airport marketing surveys pertinent to their own markets.

Airports have not made full use of money available for promotions.

We estimate that in the 2000-01 biennium, the Commission awarded less than half of the money it was statutorily permitted to set aside for air service promotion. This occurred because in the past five years, only 9 of the state's 40 airports have applied for promotional grants. [See Appendix E for promotion grant data.]

Other States' Approaches to Aeronautics and Air Service Are Diverse

Aeronautics Commissions in nearby states do not share a single position on this function or its organizational structure. Instead, Commission responsibilities and activities are defined by each state's priorities and interpretation of aeronautics needs. Some commissions are focused on infrastructure support, some on air service issues, and some on both.

We interviewed aeronautics officials in Colorado, Idaho, Montana, Nebraska, North Dakota, South Dakota, and Utah to determine whether Wyoming is comparable to neighboring states.

Neighboring states' Aeronautics Commissions have various purposes, goals, and approaches.

determine whether Wyoming is comparable to neighboring states with regard to oversight of airport infrastructure funding, and air service challenges and responses.

Several of these states are similar to Wyoming in their organization of aeronautics administration, while others maintain aeronautics agencies independent from their transportation departments. All have volunteer groups addressing airport needs, while some have created bodies specifically to address air service.

- Nebraska's Aeronautics Commissioners, like Wyoming's, maintain it is not their responsibility to promote air service. Instead, their duty is to provide sound airports so communities can entice good air service.
- Montana appoints an Essential Air Service Task Force to preserve and protect the flow of air subsidy money from U.S. DOT into airlines serving small rural communities in that state.
- Idaho's Aeronautics Advisory Board maintains backcountry wilderness airstrips to support the state's tourist economy.
- North Dakota's Aeronautics Commission is working "to encourage an unencumbered business climate and to foster a positive evolution of the industry." The Commission works with the Department of Commerce on airport improvements to facilitate a business climate attractive to new industry. It also surveys consumers, studies air traffic patterns to build databases to recruit airlines, and advertises on radio and billboards.
- Utah has no Aeronautics Commission, but for a number of years has appointed a volunteer task force to enhance inter- and intra-state air service. The Utah Air Service Task Force works with airports and airlines to increase commercial service and to help small rural airports struggling to maintain flights. In addition, in 2001, the

Task Force lobbied for passage of legislation setting aside additional funding for airport infrastructure improvements.

What Can a Volunteer Commission Be Expected to Do?

Reorganization changed some expectations regarding citizen commissions.

In the absence of an agreed-upon purpose for the Aeronautics Commission, we looked to other sources to learn what the state wants and needs. In the early 1990s, state government reorganization consultants Ferrari and Washburn recommended that most commissions be advisory in nature. The intent was to move administrative functions to agencies with the staff and experience to run programs effectively and efficiently.

However, the consultants identified the Aeronautics Commission as one of a few exceptions, saying it should assume a stronger role as an advocate for air travel. The consultants also recommended the Commission place more emphasis on developing a strong air transportation system. The Legislature did not adopt either of these options.

Wyoming needs to clearly define its expectations of citizen boards.

Ten years after reorganization, the Aeronautics Commission does not have an advocacy role, nor is it clearly advisory, policy-making, regulatory, or supervisory. It is a volunteer Commission that approves grants and whose other purposes, if they exist, remain subject to interpretation.

One public administration consultant suggests that Wyoming could benefit from a general statute that sets out over-arching principles for the composition, function, and authority of citizen boards. We believe the mission and goals of a citizen board should be agreed upon by the body itself, the agency it reports to, the Governor, and the Legislature. Without a defined purpose, volunteer boards will find difficulty performing their functions to reflect the interests of affected parties.

Statutory Change Is Needed to Shift the State's Focus From Airports to Air Service

Federal funding policies and priorities are continuing to change and to affect Wyoming's aviation needs and environment. In addition, improvements in aircraft technology, rapidly advancing navigation aids, and fluctuating national and international economies may also change the aviation landscape in ways that cannot be anticipated.

***Designated
leadership is needed
to coordinate
aeronautics
interests.***

While airport construction projects will remain important to the state, the distribution of state grant funds is now largely formula-driven and can be made more so. More than a grant-approving commission, Wyoming needs a designated body to lead and coordinate the numerous interested parties already invested in the future of aeronautics and air service.

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CHAPTER 3

Recommendation: Wyoming Needs A New Approach to Aeronautics.

At present, Wyoming is not positioned to respond proactively to the fluid and constantly evolving aeronautics environment. We recommend the Legislature consider amending statutes to create an entity that will advocate for aeronautics, one intended to be flexible in responding to shifts in air service-related legislation, policy, and funding.

Statutory Changes Needed to Segregate Grant Duties

Other states' volunteer commissions preserve and develop air service.

Neighboring states have demonstrated that bringing about change does not necessarily require large budgets and paid staff. Some states' volunteer boards and commissions have found ways to seek out improved air transportation and, simultaneously, to promote economic development. Because Wyoming's Aeronautics Commission has not moved in these directions, the Legislature should consider separating the Commission's functions, assigning them to the government entities most likely to foster their development.

Air service promotion and airport infrastructure grants should be separated.

We recommend the Legislature consider transferring responsibility for airport infrastructure grants to the Transportation Commission and air travel promotion grants to the Wyoming Business Council. Also, we suggest several options for assigning responsibility for developing stronger air service.

The Legislature should consider transferring authority for airport infrastructure grants to the Transportation Commission.

WYDOT's Transportation Commission can effectively carry out the Aeronautics Commission's current work of disbursing state grants for airport infrastructure and planning. With

Transportation Commission is prepared to make airport infrastructure grants.

consolidation of aeronautics and highways under WYDOT's intermodal approach, the Transportation Commission is prepared to disburse funds for construction contracts for both highways and airports. Keeping airport runways well-maintained adds economic value, as does keeping highways well-paved.

Airport operators are less opposed to merging Transportation and Aeronautics Commissions.

The Aeronautics Commission's grant selection process is largely formula-driven, with Division staff already doing much of the grant review and ranking. Further, the Aeronautics Division Administrator and her staff regularly report to the WYDOT Director and Transportation Commission, as well as to the Aeronautics Commission.

In the past, the Wyoming Airport Operators' Association (WAOA) has strongly opposed such a move, maintaining that airports would be shortchanged without a separate commission focused on aviation funding. Our interviews with a number of general aviation and commercial airport operators suggest this opposition may be softening, due to growing recognition of the additional funding WYDOT dedicates to Commission projects.

The Business Council can use promotion grants to help communities attract tourists and business travelers.

The Legislature should consider making air service advocacy a state government responsibility.

Once the Legislature transfers responsibility for approving infrastructure and planning grants to the Transportation Commission, it can select from several options to handle air service. For example, statutes could direct that the Aeronautics Commission become an air transportation advocacy group, or that the Transportation Commission make air service one of its top priorities.

Air service shortfalls impact public and private partners in economic and community development.

However, we believe the Wyoming Business Council is best positioned to promote commercial and general aviation air service in Wyoming communities. The Business Council can also be responsible for disbursing state funding for air service promotion. Commercial airports, almost exclusively, have applied for Aeronautics Commission promotions grants; general aviation airports need to be encouraged to spend money promoting themselves. Further, the lodging tax presents another potential source of air service promotion funding in areas of the

state where that tax is levied. W.S. 39-15-211 states that these dollars can be expended "for travel and tourism promotion."

Regardless of who becomes the new focal point for air service, participants in the deliberations should include representation from chambers of commerce, travel agents, the Governor's Office, legislators, the Transportation Commission and Aeronautics Division, the Wyoming Associations of Municipalities and County Officials, and the WAOA. The purpose should be to advance:

- direct and regular communication with airlines regarding improved air service in Wyoming
- community involvement in educating consumers to fly locally, promoting the availability of flying lessons and the potential employment opportunities for pilots
- the importance of general aviation
- awareness at the federal level of the need to continue funding for rural air service
- the potential for attracting new and expanding businesses that use aircraft to transport cargo and passengers
- "best practices" air service and airport promotion programs that can be tested in Wyoming and funded with airport promotion and lodging tax grants.

Conclusion

Well-maintained airports are not enough.

Wyoming residents want air service they can count on, and that they perceive as being affordable. Lacking that, they will continue to drive to hubs in other states and spend money there on food, gas, and parking. Economic development proponents believe air service, in addition to well-maintained airports, will encourage tourism and new business.

Designated leadership is needed to coordinate efforts to improve air service.

Wyoming needs flexibility, focus, and leadership to develop better air service and respond to repercussions of future federal funding and policy shifts. While the Aeronautics Commission has served the state well and has kept airport managers connected to state government, its focus has been project- and transaction-oriented. The Legislature should consider changing

the purpose and duties of the Commission, or it should designate another entity to take on the larger role of promoting air service.

***Changes in state law
can end debate and
clarify agencies'
aeronautics-related
duties.***

Regardless of what solution the Legislature selects, Wyoming statutes pertaining to aviation need to be updated. Clear statutory direction that assigns responsibility, authority, and resources to specific agencies, can put an end to the contentious debate about the Aeronautics Commission's value. Without a breakthrough of this sort, we believe there is little prospect for coordinated and targeted state-level action on behalf of aviation.

Wyoming Aeronautics Commission

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April 5, 2002

Representative Randall Luthi
Chairman, Management Audit Committee

Dear Representative Luthi:

Thank you and the members of the Management Audit Committee for the opportunity of responding to the Confidential Draft Report on the Wyoming Aeronautics Commission dated March 28, 2002. On behalf of the Aeronautics Commission, I would also like to thank the Legislative Service Office for its work in preparing the report and making some of the changes Carol Lewis, the immediate past Chair of the Wyoming Aeronautics Commission, and I requested in the post evaluation exit conference.

This letter follows the format suggested by the Legislative Service Office. As we understand it, that format contemplates that the "Agency" affected by "formal recommendations" in a Program Evaluation respond to those recommendations with one of the following statements:

Agree
Partially Agree
Disagree
Neutral or No Comment

**Formal Response of the Wyoming Aeronautics Commission to the
Program Evaluation**

As we read the report, it contains but one formal recommendation:

“Recommendation: Wyoming Needs A New Approach to Aeronautics”

(Confidential Draft Report on the Wyoming Aeronautics Commission dated March 28, 2002, Page 19)

Our Response: Agree.

Beyond that response, the Aeronautics Commission has the following Comments about the draft report.

Comments about the Draft Report and additional information about the report’s background and findings sections

--Revision of the current statutes is an important first step in creating a new approach to Aeronautics.

Under any scenario, the Wyoming statutes that create the Aeronautics Commission and govern its activities need to be revamped. Without reiterating it here, the history contained on pages 11 through 13 of the Draft Report is essentially accurate and is helpful in understanding the dichotomy between the current statutory responsibilities and authority of the Aeronautics Commission and popular misconception about its role in aviation in this state.

As a body, the Aeronautics Commission agrees with this observation made on page 7 of the draft report:

“...[T]he Legislature has not formally directed any state government entity to work with airlines flying commercially to Wyoming cities and towns. Wyoming statutes do not charge the Commission with responsibility for improving air service, and W. S. 10-2-40 1(b) specifically prohibits the Commission from using grant funds for airline subsidies. Consequently, the Commission does not conduct air service promotion campaigns, negotiate with airlines for better service, or lobby Congress for rural air service subsidies.”

This legal framework is at odds with the general public perception that the Aeronautics Commission has the financial or legal ability to negotiate or lobby on a national scale.

If the legislature believes a state entity should conduct air service promotion campaigns, the cost of such campaigns will have to be a part of the state budget. If the legislature believes the state should be involved in lobbying Congress or negotiating with airlines, the Commission believes any entity charged with responsibility for those activities must be supported by staff, identified as the principal contact and coordinating entity within the state for that involvement, and be given the imprimatur to formally represent the state's political and financial position vis a vis airlines, neighboring states, and Congress.

--There must be a single coordinated "Clearinghouse" for aviation related issues in Wyoming and it must focus on more than airline service alone

While the Commission has, either as a body or through individual Commissioners, participated in public and private forums on the issue of air service in the State of Wyoming, it has not infrequently found itself unaware of or at odds with positions taken by other branches of state government: because so many in the state appreciate the importance of good air service, there exist concurrent efforts to improve it that are poorly coordinated. Many of these problems would be ameliorated with the identification of a specific state entity responsible for air service and the other equally important elements of Wyoming's aviation infrastructure.

Although the emphasis in the Draft report is on airlines, commercial air service is not the sum total of aviation in Wyoming—a vital role is played by segments other than air carriers. Business/corporate aviation, flight instruction, air ambulance, recreational flying and many other components have a place in the airport system. A recent issue of The Economist noted the marked shift toward private jets since September 11, 2001; Wyoming needs a single committed entity to encourage and accommodate this change.

--That Clearinghouse should be charged with measurable goals and must be funded and staffed adequately to accomplish those goals

The goal of "improved air service" is somewhat nebulous. An agency charged with the task of improving air service should be given clear direction about what is expected, the responsibility to meet those expectations, the authority to move with rapidity and flexibility when necessary, an organizational structure that insures both autonomy and accountability, and the funding to meet the legislature's goals. There also needs to be a common expectation about what portion of Wyoming's aviation

transportation needs will be met by airlines, by charter operators, by corporate aircraft, or by private airplanes.

As operators, members of the Wyoming Airport Operators Association can help identify those expectations and goals. At the instigation of the Aeronautics Commission, a facilitated meeting was held in Casper in January of 2002. The minutes of that meeting are appended to this report and contain an outline of the needs identified by the airport operators in this state who participated.

Local businesses also provide the keen insight on the economic potential for air carrier and non-air carrier service in their communities. Identifying local need, the nature and extent of which varies with place and time, is an important predicate to establishing a workable statutory scheme that encompasses all aspects of aviation in the state, not just commercial air service at the larger airports. Even before deregulation, Part 135 Charter service was an important part of the transportation system. These operators need dependable sources for fuel, weather information and ground transportation at airports that probably will never be served by airlines. Cities depend on local business being comfortable with the infrastructure at the airport. Some have to plan for and accommodate significant use by tourists or second home owners; Evanston recently had a very successful and busy winter hosting a large assortment of Olympic traffic. This aspect of aviation should not be lost in the analysis of what might be done to improve commercial air service,

--Aviation should retain a strong and autonomous voice in the State of Wyoming

It is the belief of the current Aeronautics Commissioners that revision of the current statutes should send a clear message to private operators, charter businesses, flight schools, airlines, other states and the United States Congress that Wyoming is committed to all aspects of aviation, including commercial air service. Legislation that provides for a clear and consistent aviation advocate is an important part of that message.

—Conclusion

In September of 2001, the Aeronautics Commission asked the Attorney General's office for an interpretation of its duties and powers. This request was part of a larger overall effort on the part of the Commission to reassess its role, identify those

portions of the statutes that need revision, and plot a clear course for its future as a Commission and its impact on every aspect of Wyoming's aviation system.

The request to the Attorney General was prompted in part when the Commission learned in the summer of 2001 that it had "participated" in a large airport improvement project at the Riverton airport. The Commissioners expressed concern that their first knowledge of that participation was in the form of a newspaper story. At or near the same time, the Commission was beginning to get requests from the public and from airport operators that they address service issues with Great Lakes Aviation. The Commission felt then and feels today that too many independent and non-communicative agencies were involved in aviation related issues. The request to the Attorney General was followed up by a facilitated meeting among the Commissioners in November in Jackson at which the Commission adopted its current mission statement. Subsequently, the Commission met with airport operators in Casper in January of 2002 to ask their help in defining the optimum structure of an agency responsible for aviation in this state.

The stage has thus been set for a reasoned and profitable assessment of the future of aviation in the State of Wyoming. The challenges are large, but the opportunities are even larger. Working through a single coordinated agency, staffed and funded, with a clear expectation about that agency's responsibilities and an unequivocal delegation of the authority necessary to meet those responsibilities, the Aeronautics Commission believe that advantage can be taken of those opportunities.

We look forward to discussing these issues with you in May.

Sincerely Yours,

Bradford S. Mead

DRAFT
AERONAUTICS/AVIATION STRATEGIC PLANNING MEETING

January 9, 2002
Casper Parkway Plaza

Attendees:

Skip Roberts, Laramie Regional Airport Board Member
Dan Mann, Natrona County International Airport
Jack Skinner, Laramie Regional Airport Manager
Jay Lundell, Gillette/Campbell County Airport Manager
Vein Heisler, Riverton Regional Airport Manager
Charles Van Slyke, Afton/Lincoln County Airport Manager
Brad Waters, Sheridan County Airport Commissioner
Micky McMillan, Kemmerer Airport
Mike Laird, South Bighorn County Airport
Steve Good, Converse County Airport
Norman Feck, Sheridan County Airport
Brad Mead, Aeronautics Commissioner
John Marquardt, Pine Bluffs Airport
Monte Neilan, BKM&N
Sam Hatch, Bridger Airport
Phil Weber, Bridger Airport
Mike LaSalle, EVW
TC Johnson, Star West Aviation, Evanston
Kevin Frisbee, Worland Airport
Gary Thompson, Worland Airport
Clarence Vranish, Evanston
Kent Nelson, Aeronautics Commissioner
Ray Harrison, Aeronautics Commissioner
Gwenda Urbigkit, Hot Springs County Airport
D. Ray Arey, Hot Springs County Airport
Carol Lewis, Aeronautics Commissioner
Rep. Tom Lockhart, Natrona County State Legislator

A strategic planning meeting was held in Casper at the Parkway Plaza how best to meet the needs of the airport managers and the general aviation operators in the state.

Ms. Lewis, Aeronautics Commission Chairman opened the meeting by having all the attendees introduce themselves. Using a mission statement developed by the Aeronautics Commission at their working session on December 19, 2001, Ms. Lewis explained the concerns that the Aeronautics Commission has regarding their role in aviation in the state. The present state statutes do not empower the Aeronautics Commission to actively address the needs of aviation. The power and authority for aviation is given to the Wyoming Department of Transportation and the Aeronautics Division. The only real authority of the Aeronautics Commission is to determine the disbursement of funds for grants and loans to airports. They have no authority over the aeronautics' staff that administers those funds. The statute indicates that the Commission can "cooperate" or "encourage" development of aviation, but there is no authorized funding or authority over staff for the Commission to accomplish any goals. The Aeronautics' Commission met in December to identify options to better address the needs of aviation. They believe the current status is not an

acceptable option for the future. The Commission developed a “Mission Statement” and worked to identify options to achieve this mission. She asked that the group take the Commission’s 5 initial ideas and identify a direction for the future. The option to make the Aeronautics Division a stand alone Agency would maintain Autonomy for aviation, but the vast resources and support from WYDOT would be lost. Although the consensus of the group remains fearful of aviation losing autonomy in the state, they came to a preliminary conclusion that the following concept is in the long-range best interests of aviation.

- **MISSION: “To enhance the economic well being and quality of life in Wyoming by working with public and private partners to produce a safe and efficient aviation system.”**
- What is needed to achieve the mission:
 1. Clarity about who is responsible to carry out the mission.
 2. Updated statutes that accurately reflect the current needs of aviation system (present statutes antiquated and ambiguous on who is responsible). Current system works due to dedicated WYDOT Director, Aeronautics Division Director, staff and commissions, not because the statutes support present-day reality.
 3. Budget and resources must be directly available to the responsible commission/department/division
 4. Staff who are responsible directly to the commission/department/division
 5. Emphasis in the future must be on the following:
 - Tactical and Strategic Planning for the future
 - Strong Communication
 - Business and Economic Plans for the future
 - Solid Commercial and private air service
 - Dedicated airport funding to ensure well developed and maintained infrastructure
 - Insure security at all aviation facilities
 6. AVIATION must retain a strong independent voice within WYDOT and the state, regardless of who is the Director of WYDOT. (Attendees to the planning session believe the current aviation success is due to the current support of the WYDOT Director and the Director of Aeronautics. There is fear that aviation could suffer if leadership changed.)

**AERONAUTICS/AVIATION “WISH LIST”- ACCEPTED OPTION PRELIMINARY:
SUNSET AERONAUTICS COMMISSION---WYDOT COMMISSION DIRECTLY
RESPONSIBLE FOR AVIATION**

- Update and improve aviation statutes to better meet present needs --- include authority, budget and staff in new laws
 1. Give consideration to eliminating the \$500,000 grant limit and 50-50 match limitation
 2. Eliminate outdated sections of the statute (example: WEMA section)
 3. Maintain the Aeronautics Division as a DIVISION of WYDOT
 4. Use a task force comprised of WAOA board members, Aeronautics Commissioners, Aeronautics Division staff, Legislators, and perhaps others to identify what needs to be in the NEW Statutes
 5. Provide in statute a review in four (4) years to review effectiveness in behalf of aviation
- Insure equal or greater opportunity for airport community to interact and influence WYDOT Commission decisions that affect aviation.
 1. Opportunity to address WYDOT Commission for grant requests and other aviation needs
- Continue dedicated funding for airport improvements

- WYDOT Commission must include commissioners with aviation system expertise
- Seek ways to provide ONE VOICE support system or clearinghouse for aviation issues statewide (especially with airlines)
 1. The one voice must have the ability, authority and budget to resolve the issue
 2. The one voice must have the staff dedicated to promote statewide aviation.
 3. Specific responsibility for Air Service development (Business Council, Aeronautics Division, new entity?)

The group agreed that the work from this planning session would be prepared and distributed for further consideration. The issue will be addressed again in March at the Aeronautics Commission Meeting and the WAOA meeting.

Appendix A

Selected Statutes

Wyoming Aeronautics Commission

10-1-101. Definitions.

(a) As used in this act:

- (i) "Aircraft" means any contrivance used, or designed for navigation or flight in the air, except a parachute or other contrivance designed for this navigation but used primarily as safety equipment;
- (ii) "Airman" means any individual, including the individual in command and any pilot, mechanic or member of the crew, who engages in the navigation of aircraft while under way, and any individual who is in charge of the inspection, overhauling or repairing of aircraft;
- (iii) "Air taxi" means irregular or contract air carrier operations;
- (iv) "Commission" means the Wyoming aeronautics commission;
- (v) "Department" means the department of transportation;
- (vi) "Aeronautics commission" means the aeronautics commission created by W.S. 10-3-101;
- (vii) "Division" means the division of aeronautics within the department of transportation;
- (viii) "Person" means individuals, associations of individuals, firms, partnerships, companies, corporations and other organizations;
- (ix) "This act" means W.S. 10-1-101 through 10-6-104.

10-3-101. **Creation; composition; appointment; term; removal; qualifications; vacancies; compensation; office; acceptance of grants.**

(a) The commission is created to consist of seven (7) commissioners appointed by the governor, by and with the consent of the senate, each to serve for a term of six (6) years. Two (2) commissioners shall be appointed at-large for a term of six (6) years. The governor may remove any commissioner as provided in W.S. 9-1-202.

(b) One (1) commissioner shall be appointed from each of the following districts:

- (i) District 1. Counties of Laramie, Albany, Platte and Goshen;
 - (ii) District 2. Counties of Carbon, Sweetwater, Uinta, Lincoln, Sublette and Teton;
 - (iii) District 3. Counties of Niobrara, Converse, Natrona and Fremont;
 - (iv) District 4. Counties of Hot Springs, Washakie, Big Horn and Park; and
 - (v) District 5. Counties of Sheridan, Johnson, Campbell, Crook and Weston.
- (c) If any commissioner ceases to be a resident of the district from which he is appointed, his office shall be vacant. All vacancies from any cause shall be filled by appointment by the governor as provided in W.S. 28-12-101.
- (d) Not more than four (4) members of the commission shall be of the same political party. Each of the commissioners shall qualify by taking the constitutional oath of office and each shall act without pay except that he may receive his actual traveling expenses according to law.
- (f) The department may receive on behalf of the state all grants of money, property or other things of value from the federal government, the state of Wyoming or other public agency or person.

10-3-201. Powers and duties generally.

- (a) The commission shall cooperate with:
- (i) The federal aviation administration;
 - (ii) Any existing federal aviation commission;
 - (iii) The cities and counties in Wyoming;
 - (iv) The chambers of commerce, commercial clubs and all aviation and business concerns interested in the development of aeronautics within the state.
- b) The aeronautics commission may designate the airports to be built and maintained with the assistance of state or federal funds and is the sole authority to determine the disbursement of funds for the state's airports. The aeronautics commission through the department shall be the authority in the state to apply for, or directly accept, receive, receipt for or disburse any funds granted by the United States government for airport construction or maintenance. A county, city, town or other political subdivision may enter into an agreement with the division describing the terms and conditions of the agency in accordance with federal laws, rules and regulations and applicable laws of this state. The division may enforce the proper maintenance of these airports by the counties, cities and towns as agreed in the contracts existing between the sponsors of

the airports and the federal government. All construction and maintenance of these airports shall be under the direction of the department.

(c) The department may offer engineering or other technical advice to any municipality or other qualified party in connection with the construction, maintenance or operation of airports. The commission shall encourage:

- (i) Development of private aviation schools;
- (ii) Interest in private flying and privately-owned planes;
- (iii) Study of aeronautical engineering and allied subjects in the various schools of Wyoming and assist in forming classes in aviation;
- (iv) Establishment of feasible airline routes throughout the state and assist in the development.

10-3-202. Authority to provide air transportation to departments and agencies of state.

The department may provide air transportation to departments and agencies of state government under conditions which are considered by the department or agency head to be urgent and to justify such air transportation and when justified within the limits of W.S. 9-4-204(p) and 9-4-205(e).

10-3-203. Emergency authority.

The department may supervise and coordinate the air search and rescue of persons and aircraft made necessary by any emergency or disaster.

10-3-204. Termination of commission.

(a) Prior to January 1, 1995, the department of transportation shall conduct public hearings to determine if the powers and duties of the aeronautics commission under this act shall be assumed by the department and shall report its findings with a recommendation to the legislature regarding whether the commission shall be terminated effective January 1, 1997.

(b) Effective January 1, 1997, the aeronautics commission created under this chapter shall continue with the powers, duties and authority it possessed prior to January 1, 1997.

10-3-301. Conducting investigations and hearings; accidents to be reported.

The commission may conduct investigations, inquiries and hearings concerning the laws of this state relating to aeronautics and accidents or injuries incident to the operation of aircraft occurring within this state. Members of the commission may administer oaths and affirmations, certify to all official acts, issue subpoenas and compel the attendance and testimony of witnesses and the production of papers,

books and documents. All accidents or injuries incident to the operation of aircraft occurring within this state shall be immediately reported to the commission.

10-3-302. Use in evidence of reports of investigations or hearings.

The reports of investigations or hearings shall only be used in proceedings instituted by or in behalf of the commission pursuant to the laws of this state relating to aeronautics.

10-3-401. Grants-in-aid for airport construction and improvement and air service promotion; authority to make; limitation.

(a) The commission may make grants-in-aid from state funds for construction and development of airports to counties, cities and towns within the state. No grant-in-aid for planning, construction or improvement of any airport shall be made unless the airport is owned, leased or held under a state or federal special use permit or agreement, exclusively or jointly, by the county, city or town to which the grant is made. Each grant shall be limited to five hundred thousand dollars (\$500,000.00). Grants may be spent for runways, terminals, hangars and other improvements and for planning any such improvements to the airport. The commission may designate state funds for purposes of creating, amending and updating any system plan of an airport for the state.

(b) The commission may grant not more than five percent (5.0%) of the amount available for grants-in-aid under subsection (a) of this section to counties, cities and towns to promote air service in Wyoming. In accordance with W.S. 10-3-402, any amount granted under this subsection shall be equally matched by the recipient county, city or town. No amount granted under this subsection shall be used for airline subsidies.

10-3-402. Grants-in-aid for airport construction and improvement; expenditures by county, city or town.

No expenditure of state funds shall be made under W.S. 10-3-401 unless the county, city or town expends at least fifty percent (50%) of the local-state share of any project for which the grant-in-aid is made. However, the commission may grant in excess of fifty percent (50%) of the local-state share of a project if the commission determines that the applicant is utilizing all other local revenue sources reasonably and legally available to finance a project.

10-3-403. Loans for airport construction and improvement and air service promotion; authority to make; security; rulemaking authority; limitation.

(a) The commission may make loans to counties, cities and towns and joint powers boards within the state for construction, development and improvement of airport facilities generating user fees. The loans shall be from the permanent mineral trust fund and shall not exceed the aggregate of two million dollars (\$2,000,000.00) including all loans made prior to July 1, 1999 and still outstanding on that date. No single loan shall exceed five hundred thousand dollars (\$500,000.00).

- (b) The term of repayment for a loan under this section shall not exceed twenty (20) years.
- (c) The commission may take a lien against the facilities generating user fees as security for repayment of loans under this section.
- (d) The commission shall establish by rule and regulation, the interest rate for loans under this section in accordance with current rates of interest on loans made by the state loan and investment board pursuant to W.S. 16-1-109(a).
- (e) The commission shall adopt rules and regulations to administer loans under this section, including eligibility criteria.

10-3-501. Authorization of expenditure of state funds.

- (a) The department may expend state funds for the purchase of:
 - (i) Civil air patrol aviation education training aids;
 - (ii) Books and equipment;
 - (iii) Maintenance and hangar rents of "on-loan" United States air force aircraft; and
 - (iv) Maintenance supplies and equipment for a communications network for the civil air patrol.

10-3-502. Approval of purchase order.

No expenditure of state funds shall be made unless a purchase order is approved by the department. Funds are under the control of the department.

10-3-503. Limitation of expenditures.

- (a) Under W.S. 10-3-501 through 10-3-503 no expenditure of state funds shall be authorized by the department unless the purchase is specifically for:
 - (i) Civil air patrol aviation education training aids, books and equipment;
 - (ii) Maintenance and hangar rent of "on-loan" United States air force aircraft of one hundred ninety (190) horsepower or less; and
 - (iii) Maintenance supplies and equipment for civil air patrol communications network and administrative costs as may be approved by the department.

APPENDIX B

Wyoming Airport System Information

The FAA classifies airports according to the level of commercial service it provides a community. Wyoming's 40 public use airports belong to three of the seven FAA categories: 9 Primary Commercial (PC) airports, airports enplaning at least 10,000 commercial passengers annually; 1 Other Commercial (C) airport, airports enplaning at least 2,500 commercial passengers annually; and 30 General Aviation (GA) airports, airports with fewer than 2,500 annual enplaned passengers and those used exclusively by private and business aircraft not providing common-carrier passenger service. Airports that are part of the national airport system are eligible for federal Airport Improvement Program funding (F). Other airports in the Wyoming Airport System can only receive state funding (S) for airport infrastructure, planning and air service promotion, and are not eligible for FAA dollars.

Location	Airport	FAA Category	Funding Eligibility	Airport Ownership
Primary Commercial Service Airports				
Casper	Natrona County International Airport	PC	F, S	County
Cheyenne	Cheyenne Airport	PC	F, S	City/County
Cody	Yellowstone Regional Airport	PC	F, S	City
Gillette	Gillette-Campbell County Airport	PC	F, S	County
Jackson	Jackson Hole Airport	PC	F, S	Town/County
Laramie	Laramie Regional Airport	PC	F, S	City/County
Riverton	Riverton Regional Airport	PC	F, S	City
Rock Springs	Rock Springs-Sweetwater County Airport	PC	F, S	Joint Powers Board
Sheridan	Sheridan County Airport	PC	F, S	County
Commercial Service Airports				
Worland	Worland Municipal Airport	C	F, S	City
General Aviation Airports				
Afton	Afton Municipal Airport	GA	F, S	Town/County
Big Piney	Big Piney-Marbleton Airport	GA	F, S	Town
Buffalo	Buffalo-Johnson County Airport	GA	F, S	County
Cowley	North Big Horn County Airport	GA	F, S	County
Dixon	Dixon Airport	GA	F, S	County
Douglas	Converse County Airport	GA	F, S	County
Dubois	Dubois Municipal Airport	GA	F, S	Town

Location	Airport	FAA Category	Funding Eligibility	Airport Ownership
Evanston	Evanston-Uinta County Burns Field	GA	F, S	Joint Powers Board
Fort Bridger	Fort Bridger Airport	GA	F, S	County
Greybull	South Big Horn County Airport	GA	F, S	County
Hulett	Hulett Municipal Airport	GA	F, S	Town
Kemmerer	Kemmerer Municipal Airport	GA	F, S	City/County
Lander	Hunt Field	GA	F, S	City
Lusk	Lusk Municipal Airport	GA	F, S	Town
Newcastle	Mondell Field	GA	F, S	City/County
Pine Bluffs	Pine Bluffs Municipal Airport	GA	F, S	Town
Pinedale	Ralph Wenz Field	GA	F, S	Town
Powell	Powell Municipal Airport	GA	F, S	City
Rawlins	Rawlins Municipal Airport	GA	F, S	City/County
Saratoga	Shively Field	GA	F, S	Town
Torrington	Torrington Municipal Airport	GA	F, S	City
Wheatland	Phifer Airfield	GA	F, S	Town
WSASP-Only Airports				
Cokeville	Cokeville Municipal Airport	GA	S	Town/County
Glendo	Thomas Memorial Airport	GA	S	Town
Green River	The Greater Green River Intergalactic Spaceport	GA	S	City
Guernsey	Guernsey Municipal Airport	GA	S	Town/State
Medicine Bow	Medicine Bow Airport	GA	S	Town
Shoshoni	Shoshoni Municipal Airport	GA	S	City
Thermopolis	Hot Springs County Airport	GA	S	County
Upton	Upton Municipal Airport	GA	S	Town

Source: LSO analysis of FAA and WYDOT Aeronautics Division data.

APPENDIX C

Wyoming Airport Project Funding, 1998 - 2001

The table shows the estimated amount of funding from the FAA AIP, state grant-in-aid program, and airport sponsors for projects approved by the Aeronautics Commission, 1998-2001.

Year	Project Eligibility	Total	Federal	State	Local
1998	All projects	\$14,471,057	\$11,341,009	\$2,290,139	\$839,910
	FAA	\$12,536,891	\$11,341,009	\$936,261	\$259,621
	State/Local	\$1,934,166	\$0	\$1,353,878	\$580,289
1999	All projects	\$15,504,624	\$10,757,460	\$2,655,731	\$2,099,541
	FAA	\$12,086,300	\$10,757,460	\$970,190	\$366,758
	State/Local	\$3,418,324	\$0	\$1,685,541	\$1,732,783
2000	All projects	\$36,181,693	\$31,794,961	\$2,967,659	\$1,419,073
	FAA	\$35,402,177	\$31,794,961	\$2,558,577	\$1,048,639
	State/Local	\$779,516	\$0	\$409,082	\$370,434
2001	All projects	\$32,177,885	\$26,052,073	\$3,312,325	\$2,813,487
	FAA	\$28,267,066	\$26,052,073	\$1,636,912	\$578,081
	State/Local	\$3,910,819	\$0	\$1,675,413	\$2,235,406
4-YEAR TOTAL		\$98,335,260	\$79,945,503	\$11,225,854	\$7,172,011
	FAA	\$88,292,434	\$79,945,503	\$6,101,940	\$2,253,099
	State/Local	\$10,042,826	\$0	\$5,123,184	\$4,918,912

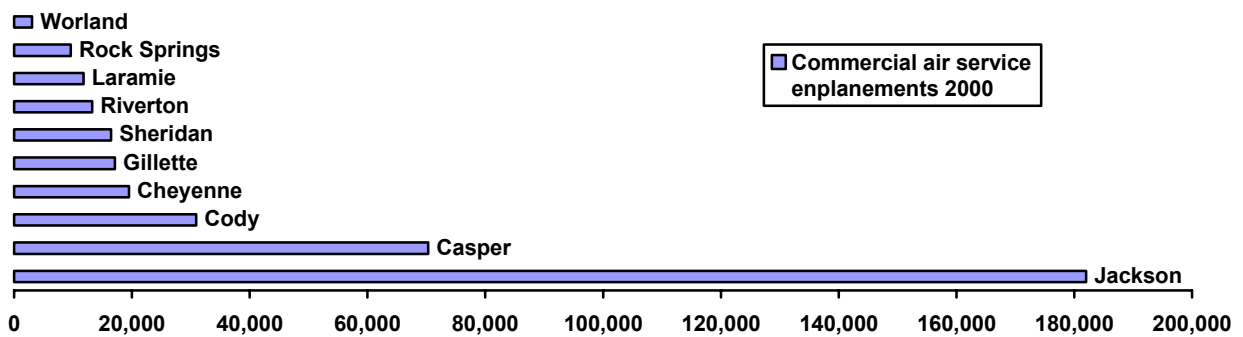
Source: LSO analysis of WYDOT Aeronautics Division data.

APPENDIX D

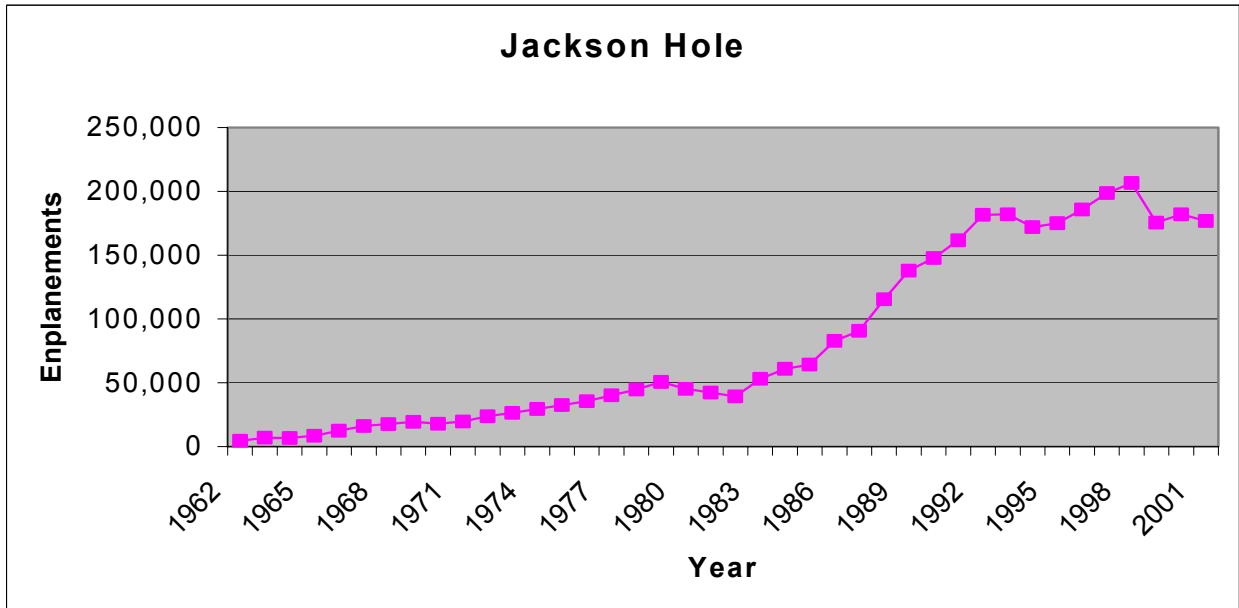
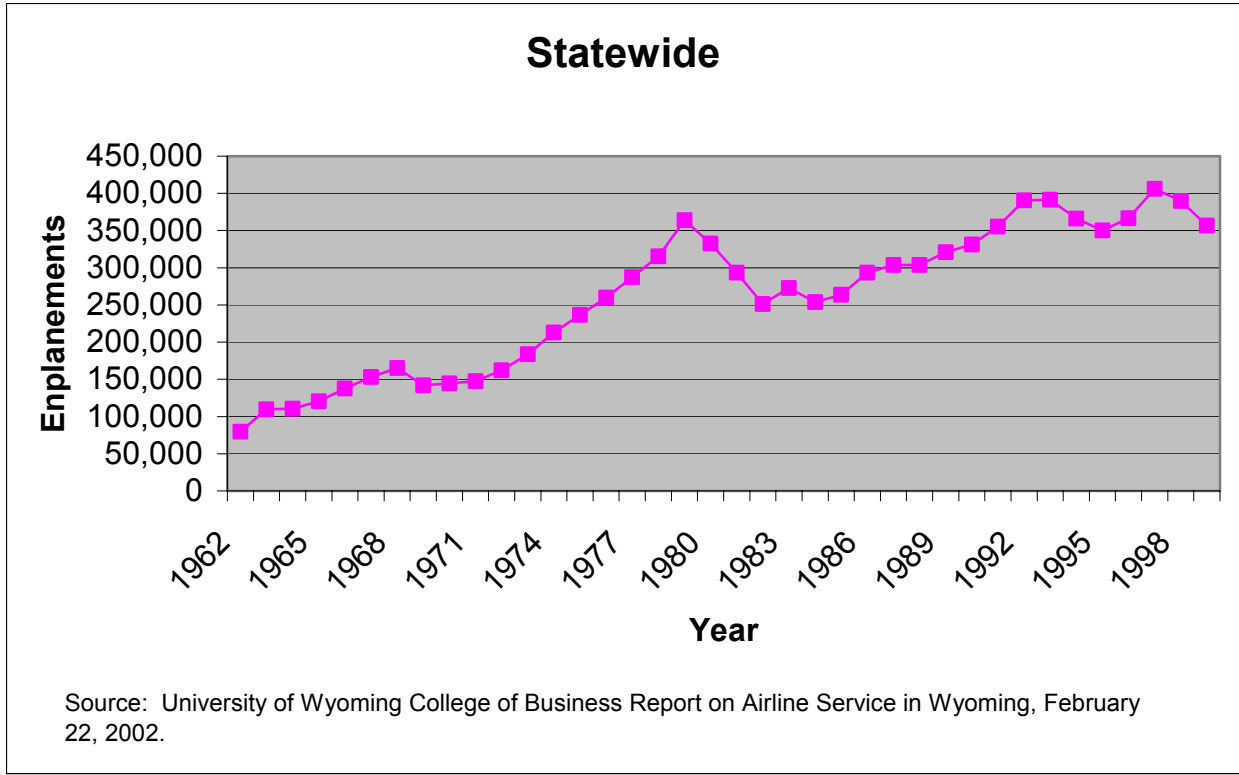
Commercial Passenger Enplanements in 2000, and Enplanement Trends, 1962 - 2001

Location	# of Enplanements	Percent of Total
Jackson	182,013	49%
Casper	70,322	19%
Cody	30,899	8%
Cheyenne	19,497	5%
Gillette	17,096	4.5%
Sheridan	16,477	4%
Riverton	13,283	3.5%
Laramie	11,781	3%
Rock Springs	9,634	3%
Worland	3,050	1%
TOTAL	374,052	100%

Source: LSO analysis of WYDOT Aeronautics Division data.



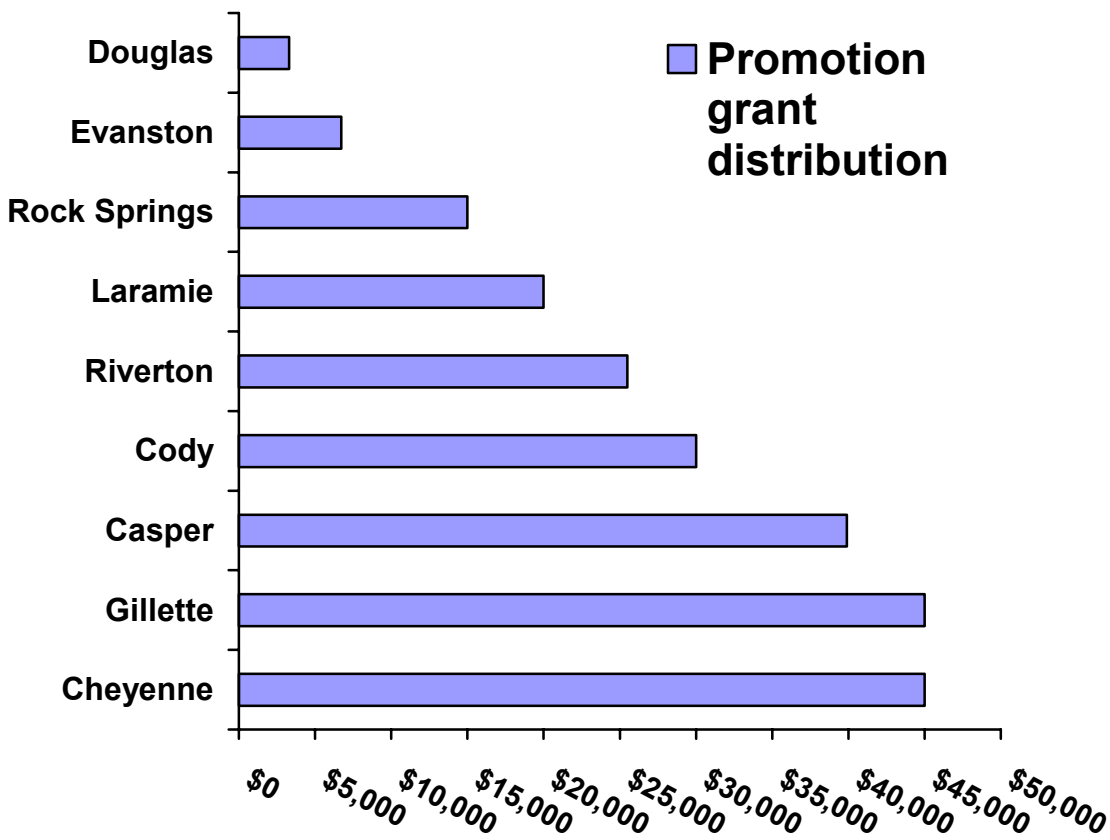
Source: LSO analysis of WYDOT Aeronautics Division data.



APPENDIX E

Airport Air Service Promotion Grants, 1997 - 2001

The Wyoming Aeronautics Commission made 24 airport promotion grants totaling \$230,430 to 9 airports between August 1997 and September 2001. The Commission typically granted 50 percent of project costs, and limited airports to \$15,000 per grant period. Promotion grant amounts ranged from \$1,100 to \$15,000; the most common amount awarded was \$15,000. During these 9 grant periods, the Commission awarded Gillette and Cheyenne \$45,000; Casper received the next largest amount, \$39,900. Only two general aviation airports, Douglas and Evanston, have used airport promotion grant funding. Grants are typically spent on marketing aimed at increasing the number of enplanements at an airport and recruiting air service.



Source: LSO analysis of WYDOT Aeronautics Division data.

APPENDIX F

Methodology

Methodology

This evaluation was conducted according to statutory requirements and professional standards and methods for governmental audits. The research was conducted from October 2001 through February 2002.

We reviewed relevant statutes, rules, annual reports, budget documents, professional literature, reports and studies, federal aviation legislative history, and a variety of other program materials.

In addition, we analyzed Aeronautics Commission state grants-in-aid data for 2000 and 2001. We interviewed current and past Aeronautics Commissioners in Wyoming and in surrounding states, and officials and staff of the Wyoming Department of Transportation. We also interviewed several Transportation Commissioners, commercial service and general aviation airport operators in Wyoming, LSO legal staff, consultants, and FAA and U.S. DOT administrators.

Recent Program Evaluations

Facilities Management	October 1995
Youth Treatment Center	November 1995
Game and Fish Department Land Acquisition Program	February 1996
Deferred Compensation Program	June 1996
Cost-of-Living Adjustments: WRS Public Employees' Pension Plan	October 1996
Crime Victim Services	January 1997
Legislatively Designated Investments	May 1997
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Agency-Provided Housing	September 1997
Professional Teaching Standards Board	December 1997
Game and Fish Department Limited-Quota License Draw	December 1997
UW's Institute for and School of Environment and Natural Resources	June 1998
Wyoming Department of Education School District Accreditation Reporting	June 1998
Laboratory Privatization and Consolidation	October 1998
Community College Governance	May 1999
Child Protective Services	November 1999
Wyoming State Archives	May 2000
Turnover and Retention in Four Occupations	May 2000
Placement of Deferred Compensation	October 2000
Employees' Group Health Insurance	December 2000
State Park Fees	May 2001
Childcare Licensing	July 2001
Wyoming Public Television	January 2002

Evaluation reports can be obtained from:

Wyoming Legislative Service Office
213 State Capitol Building Cheyenne, Wyoming 82002
Telephone: 307-777-7881 Fax: 307-777-5466
Website: <http://legisweb.state.wy.us>