
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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