



TUCSON
AIRPORT AUTHORITY
TUCSON INTERNATIONAL AIRPORT • RYAN AIRFIELD

Tucson Airport Authority

TUS Fact Sheet and Policy Needs | 2024

Tucson Airport Authority

Operator of Tucson International Airport (TUS) and Ryan Airfield (RYN)

Fact Sheet and Policy Considerations

Tucson Airport Authority (TAA) Mission Statement

Provide a sustainable airport system and constantly pursue initiatives that promote and grow business opportunities.

TAA Vision Statement

Landing Prosperity in Southern Arizona

TAA's Responsibilities at TUS and RYN

TAA operates, maintains, manages, and develops Tucson International Airport (TUS) and Ryan Airfield (RYN) for the benefit of the public and without unjust discrimination or unreasonable fees. Airports are required to be as self-sustaining as possible and must charge fair market rental rates for use of airport property, which includes all airport land, infrastructure, and facilities. TAA must use diligent efforts to promote aviation activities. The quality of its infrastructure and facilities has a direct impact on the experience a customer has and the success of current operations. The quality of the airport systems' infrastructure also directly impacts the airport systems' appeal to aviation related entrepreneurs.

TAA provides all police and firefighting services for the airport system. Accordingly, TAA employs fully certified Police and Fire Department personnel and purchases and maintains the specialized equipment they need to effectively perform their jobs. TAA develops, repairs, and maintains all public buildings, TAA owned roads, and surfaces used for vehicles and aircraft on the airfield, including airfield pavements for taxiways, taxi lanes, runways, safety areas, shoulders and aprons located on airport property.

Economic Development

TUS plays a vital role in the economic health of Tucson, Pima County, Southern Arizona, and the entire State. The State of Arizona's 2021 Arizona Aviation Economic Impact Study reported that TAA's airport system (TUS and RYN) has a \$8.3 billion economic impact on Arizona. That includes 45,785 jobs, and \$2.5 billion in total compensation to workers on or connected to the airports' activities.

A key element of TAA's Strategic Plan is a focus on the development of TAA's extensive holdings

of non-aeronautical land. The key to that successful initiative is being nimble in response to opportunities that TAA develops or that present themselves to TAA. TAA's economic development function is intended to improve revenue expansion and diversification, new job creation, and increased entrepreneurial activity. To achieve these results the economic development efforts are focused on TUS' undeveloped property, and proactively pursue business retention and targeted business recruitment efforts to expand and attract jobs and capital investment to TUS. TUS has both available facilities and strategically positioned sites for corporate decision makers considering locations for expansion, relocation, or consolidation.

Funding for Airport Operations and Capital Needs

Airport operations are funded solely through airport user fees and leases. Primary sources of revenue include airline rents and landing fees, concessions (rental car, food, and retail), vehicle parking fees and commercial property rents. Capital development and airport infrastructure are funded through operating revenues, Federal and State airport grants, passenger facility charges and airport revenue bonds. TAA is responsible for all operating and capital budgets and programs. TAA has no taxing authority. No local taxes, other governmental allocations or bonding capacity is used in connection with the Airport to meet any of TAA's airport system funding needs.

Capital Investments in the Airport

TAA's self-sustaining operation and its economic engine are completely dependent on the excellence of its infrastructure and facilities. Since its inception, TAA has invested heavily in the Airport infrastructure, developing, and paying for the entire existing airfield and terminal complex. Airfield safety, and improved airport infrastructure makes the Airport more attractive to development and entrepreneurs, which translates to more high-quality jobs in the region.

Policy Considerations

1. Additional FAA Airport Improvement Program (AIP) | Entitlement and Discretionary Funding and Infrastructure/Transportation Funding

AIP grant funding is the primary source of funding for TAA's infrastructure needs, and that funding must continue and increase to maintain and improve the airport system.

a. Airfield Safety Enhancement Program

TAA's Airfield Safety Enhancement (ASE) Project is an airfield infrastructure project and defined by the FAA as a "safety and standards" project. The Program contains project elements that systematically manage significant modification to the TUS airfield. The project budget is estimated at \$400 million.

TAA broke ground in 2020 and continues to work a phased construction schedule. To date, the FAA has awarded the TAA approximately \$100M through a combination of entitlement and discretionary funding sources. Other funding has been through the State of Arizona and Air National Guard (MILCON).

The current phase of the ASE Program is the demolition, relocation and reconstruction of a parallel runway and supporting infrastructure; this phase is expected to cost \$180M. It is imperative the TAA receive ongoing federal support to continue to build this essential infrastructure and ensure a safe airfield environment. That said, aggressive funding of the project will reflect that priority and allow the TAA to complete this safety project in 4 years. This is in the interest of our stakeholders in Arizona, and the national system of airports of which TUS is a part.

This investment of both federal dollars and local TAA dollars is a significant boost to the local economy, supports excellent, quality jobs, and delivers on TAA's mission and vision of supporting growth and prosperity in southern Arizona. Your support helps TAA succeed in its goals.

b. Other Needs Beyond ASE

Since AIP and BIL funding is being used to support the ASE project, TAA also requires additional funding opportunities to address other critical needs of the airport. Those needs do not stop simply because TAA has ASE getting a significant amount of attention and funding. Our stakeholders in southern Arizona, including the travelling public, air cargo providers, and the Arizona Air National Guard 162nd Wing, which uses TUS for its training missions, rely on a fully functioning terminal, aprons, taxiways, airport rescue and firefighting (ARFF) unit and equipment and airfield to support everything they use TUS for. Continuing to generate additional funding streams will help address the backlog of aging infrastructure projects at airports.

i. Terminal Expansion

The TUS market shows forecasted growth over the next 20+ years, and the existing concourse facilities (gates, operations area, baggage handling, etc.) are either undersized and/or the infrastructure is outdated and cannot meet the future demand. In consultation with the airlines, TUS has been asked to plan for future demand, replace outdated infrastructure, build a new efficient baggage system, and improve the passenger experience. None of this can be accomplished in the present concourse facilities.

The TAA has developed a Terminal Expansion Concept and will apply for a planning grant now (for priority review and funding consideration in FY25). Support of this planning grant is essential to ensure TUS keeps pace with demand and can appropriately serve the needs of travelers in southern Arizona.

2. Remove the Cap on Passenger Facility Charges (PFC)

We ask for support of a long-overdue adjustment to the Passenger Facility Charge (PFC) which has not been updated since 2000. Currently the PFC Program allows the collection of PFC fees up to \$4.50 for every eligible passenger at commercial airports controlled by public agencies. PFCs are capped at \$4.50 per flight segment with a maximum of two PFCs charged on a one-way trip or four PFCs on a round trip, for a maximum of \$18 total. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. PFCs are a user fee, which remain local, and directly benefit the users of TUS.

- a. TAA will rely on both PFC and AIP to fund the ASE program for our airfield safety improvements. Our current PFC capacity is allocated for prior and current projects through 2033. An increase in the fee will allow more local money to be available to fulfill the infrastructure needs of TUS.
- b. If comprehensive airport/aviation infrastructure proposals include leveraging a mix of federal and local money, raising, or removing the PFC cap will make additional local funds available to utilize whatever federal funds are part of an infrastructure package.

3. PFAS Remediation is a Federal Responsibility

FAA Reauthorization presents an opportunity for the federal government to directly address a looming environment and fiscal tsunami facing airports. That is, PFAS. TUS is committed to being an environmentally responsible community partner. Since the 1970s, the FAA has required that TAA use Aqueous Film Forming Foam (AFFF) that contains PFAS compounds to provide aircraft rescue and firefighting services. While the FAA has approved one source (so far) of fluorine free foam (F3), it has been far too slow. That addresses the ongoing challenge of airport safety AND environmental stewardship that airports are committed to. However, Congress should provide liability protection for airports. This includes programs to dispose of AFFF-containing PFAS, PFAS- containing airport equipment,

and PFAS-containing material, as well as the replacement of firefighting equipment to fully utilize PFAS-free alternatives once approved by the FAA. Airports need CERCLA liability protection from the federal government, as it has been the government that has required airports to use the substance containing PFAS – it is as simple as that.

4. **Continue to Fully Fund the Contract Tower Program**

Ryan Airfield (RYN), a general aviation reliever airport operated by the TAA, is one of over 255 airports that participate in the Contract Tower Program, managed by the Federal Aviation Administration (FAA). The TAA relies on full funding of the Contract Tower Program to continue to operate safely for the benefit of all the users of RYN. We ask you to ensure that the Contract Tower Program is fully funded in the FAA Reauthorization Act.

5. **FAA Implementation of Section 163 of the FAA Reauthorization Act**

FAA Reauthorization is an opportunity to resolve confusion over Section 163 from the previous reauthorization act. What was intended to make it easier for airports to activate and utilize their property for non-aeronautical development at and around the airport has had the opposite effect. Section 163 implementation by the FAA has injected **MORE** delay and uncertainties into the process, instead of allowing airports to be nimbler in responding to economic development opportunities. A clear message from our delegation to the FAA must be sent to act in the spirit and letter of Section 163. That message will be sent by language included in the new Reauthorization to address this issue felt by TAA and other airports around the nation.

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