

2019

# **BUSINESS** >> *of* **AIRPORTS**

## **U.S. Government Affairs Update**

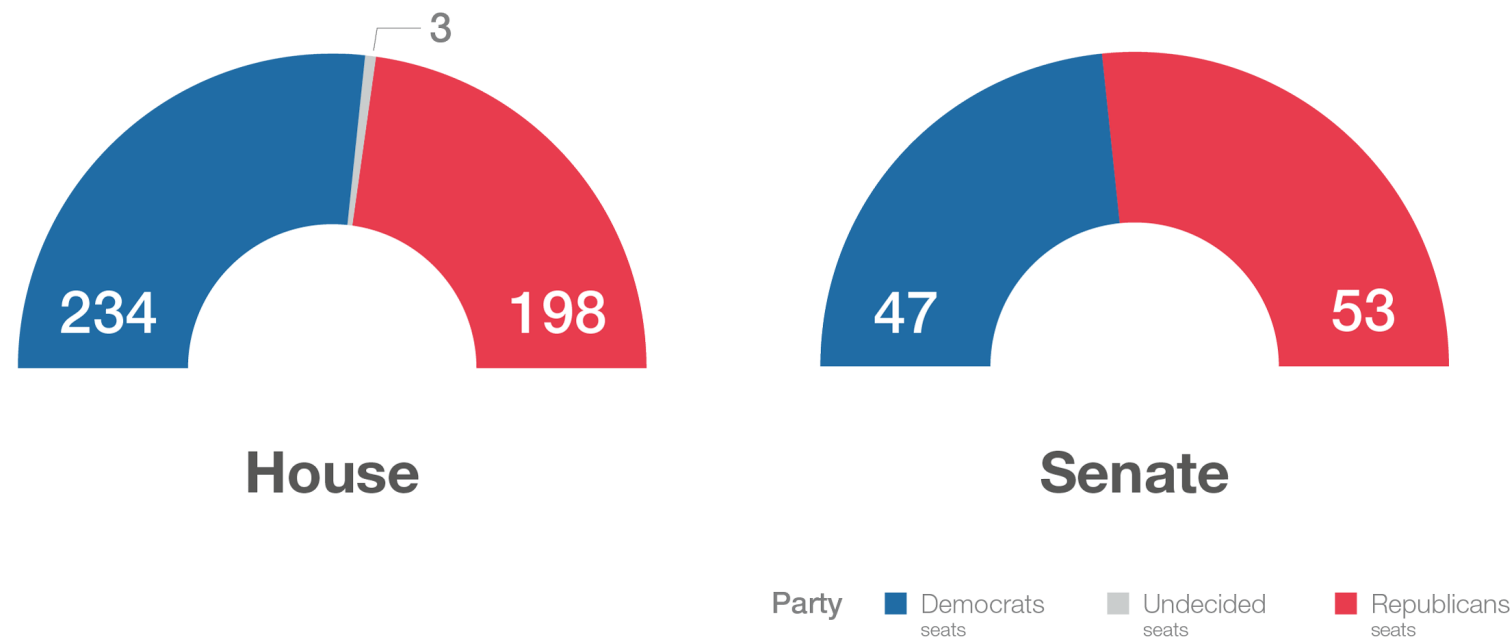
**Joint Meeting: Business Diversity Committee and  
Commercial Management Committee**



Monday, June 10, 2019

# Breakdown of Congress

Capitol gridlock: Democratic House of Representatives vs Republican Senate



# **The U.S. House of Representatives**

# House Leadership

## Democrats

- Speaker Nancy Pelosi (CA)
- Majority Leader Steny Hoyer (MD)
- Majority Whip James Clyburn (SC)

## Republicans

- Minority Leader Kevin McCarthy (CA)
- Minority Whip Steve Scalise (LA)
- Republican Conference Chair Liz Cheney (WY)

# Lots of New Faces in the House

- 90 new House Members and counting
  - 50 Dems
  - 40 Republicans



# Key Members Impacting Airports

## Democrats

- T&I Chairman Peter DeFazio (OR)
- T&I Aviation Subcommittee Chair Rick Larsen (WA)
- Appropriations Chair Nita Lowey (NY)
- Transportation Appropriations Subcommittee Chair David Price (NC)
- Homeland Security Chairman Benny Thompson (MS)
- Transportation and Maritime Security Subcommittee Chair J. Correa (CA)

## Republicans

- T&I Ranking Member Sam Graves (MO)
- T&I Aviation Subcommittee Member Garret Graves (LA)
- Appropriations Ranking Member Kay Granger (TX)
- Transportation Appropriations Subcommittee Ranking Member Mario Diaz Balart (FL)
- Homeland Security Ranking Member Mike Rogers (AL)
- Transportation and Maritime Security Subcommittee Ranking Member Debbie Lesko (AZ)

# Most Diverse House of Representatives in History

- A record 106 women Members (24.2% of the total membership) serve in the House. Of the 106 women in the House, 91 are Democrats, including 2 of the Delegates, and 15 are Republicans, including 1 Delegate as well as the Resident Commissioner.
- There are 55 African American Members including two Delegates.
- There are 45 Hispanic or Latino Members (a record number) serving: 45 in the House, including 2 Delegates and the Resident Commissioner.
- There are 17 Members (14 Representatives and 3 Delegates) who are Asian Americans, Indian Americans, or Pacific Islander Americans. This is also a record number.
- A record four American Indians (Native Americans) serve in the House.

# **The U.S. Senate**

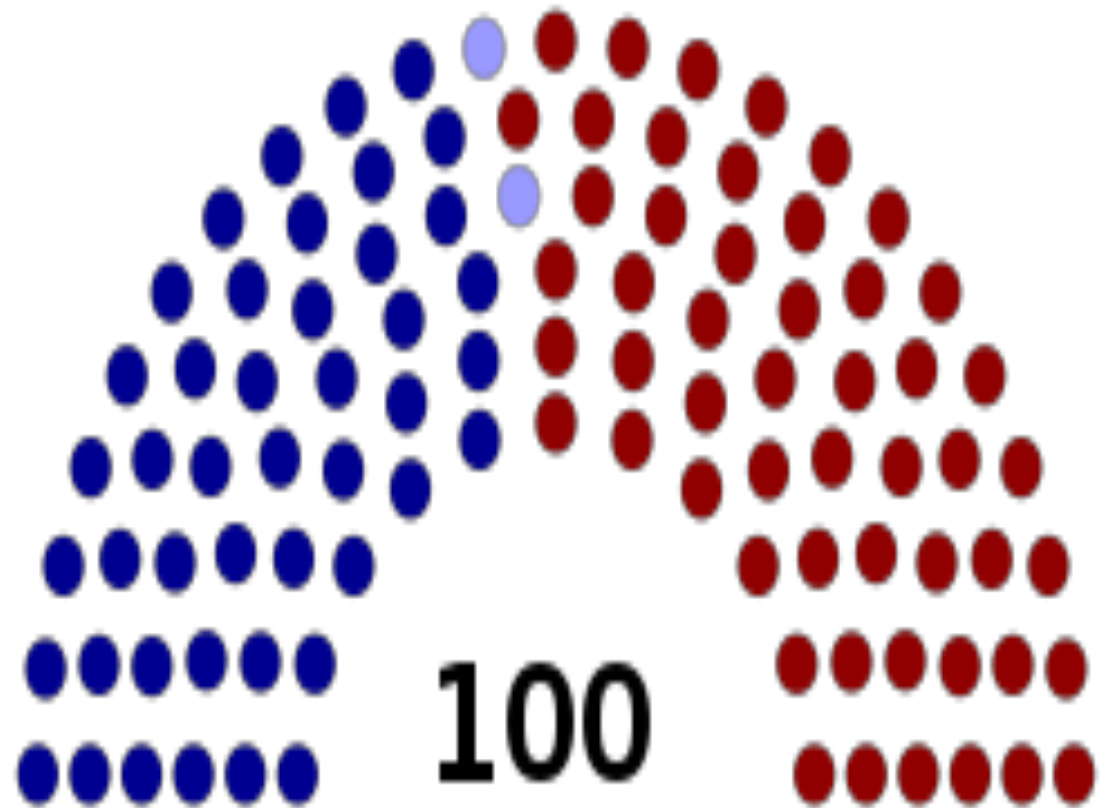


# Breakdown of the Senate

53 Republicans

45 Democrats

2 Independents who caucus  
with the Democrats



# Senate Leadership

## Republicans

- Majority Leader Mitch McConnell (KY)
- Assistant Republican Leader John Thune (SD)
- Conference Chairman John Barrasso (WY)

## Democrats

- Democratic Leader Chuck Schumer (NY)
- Whip Dick Durbin (IL)
- Assistant Democratic Leader Patty Murray (WA)

# Key Members Impacting Airports

## Republicans

- Commerce Chairman Roger Wicker (MS)
- Aviation Subcommittee Chair Ted Cruz (TX)
- Appropriations Chairman Richard Shelby (AL)
- Transportation Appropriations Chair Susan Collins (ME)

## Democrats

- Commerce Ranking Member Maria Cantwell (WA)
- Aviation Subcommittee Ranking Member Kyrsten Sinema (AZ)
- Appropriations Ranking Member Patrick Leahy (VT)
- Transportation Appropriations Ranking Member Jack Reed (RI)

# **Congressional Agenda**

# Must Get Done Legislation

- Budget Deal
- Appropriations/Federal Funding
- Debt Ceiling at the End of the Year



# Possible Bi-Partisan Legislation

- Infrastructure
- Prescription Drug Pricing



# What You're Likely to Hear About

- Tariffs and trade
- USMCA
- Tax Extenders



# Running Against the Clock

- With 2020 being an election year, big legislative deals are not expected after 2019.
- Federal funding runs out on September 30<sup>th</sup>.
- Congress will have to pass legislation to increase the debt ceiling by the end of the year.





# **2020 Elections**

# What's at Stake in November 2020 in the House

## House Democrats

- There are currently 33 seats held by Republicans that Democrats are targeting to flip
  - Currently three Republicans represent districts won by Secretary Clinton

## House Republicans

- There are 55 seats held by Democrats that Republicans are targeting to flip
  - Currently 31 Democrats represent districts won by President Trump
- 18 seats needed to flip to regain control of the House

# What's at Stake in November 2020 in the Senate

## Senate Republicans

- 22 up for reelection
  - 3 retirements (Alexander/TN, Enzi/WY and Pat Roberts/KS)

## Senate Democrats

- 12 up for reelection
  - One retirement (Udall/NM)

# 2020 Presidential Election

## Democrats (24)

- [Michael Bennet](#) (D)
- [Joe Biden](#) (D)
- [Bill de Blasio](#) (D)
- [Cory Booker](#) (D)
- [Steve Bullock](#) (D)
- [Pete Buttigieg](#) (D)
- [Julián Castro](#) (D)
- [John Delaney](#) (D)
- [Tulsi Gabbard](#) (D)
- [Kirsten Gillibrand](#) (D)
- [Mike Gravel](#) (D)
- [Kamala Harris](#) (D)
- [John Hickenlooper](#) (D)
- [Jay Inslee](#) (D)
- [Amy Klobuchar](#) (D)
- [Wayne Messam](#) (D)
- [Seth Moulton](#) (D)
- [Beto O'Rourke](#) (D)
- [Tim Ryan](#) (D)
- [Bernie Sanders](#) (I)<sup>[1]</sup>
- [Eric Swalwell](#) (D)
- [Elizabeth Warren](#) (D)
- [Marianne Williamson](#) (D)
- [Andrew Yang](#) (D)

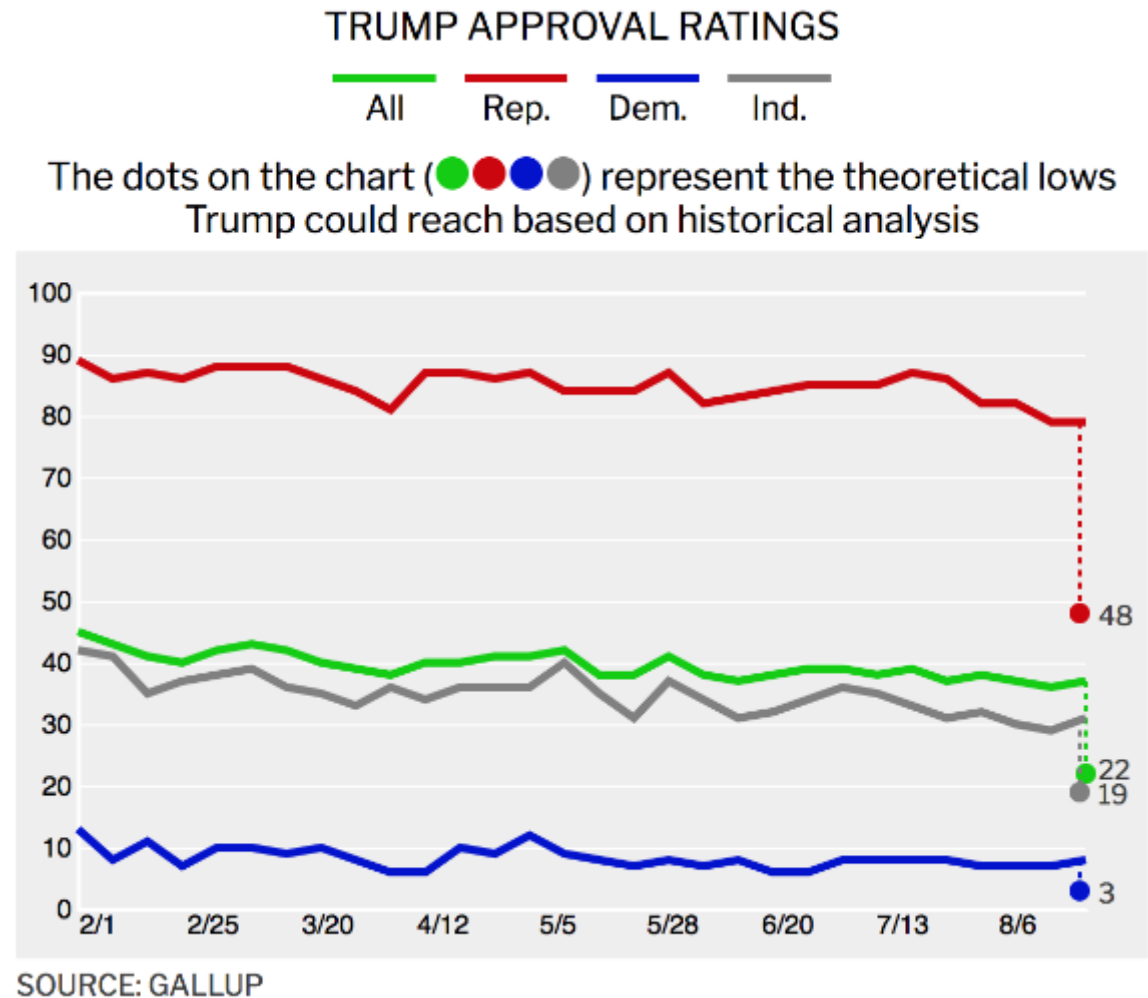
## Republicans (2)

- [Donald Trump](#) (R)
- [Bill Weld](#) (R)



# Why Is this Election Cycle Different

- President Trump's low approval.
- Strong Economy
- Crowded Democratic field with well-known candidates.
- Growing influence of social media.



# What Will Happen Next?

- ACI-NA continues to push for U.S. airport priorities:
  - Funding for infrastructure
  - AIP funding
  - CBP and TSA funding
- Subscribe to ACI-NA Legislative Affairs emails for updates: [legislativeaffairs@airportscouncil.org](mailto:legislativeaffairs@airportscouncil.org)

**Questions?**

# **Financial Impacts of Federal Policy**

*Daniel-Robert Gooch, President*

ACI-NA Business of Airports Conference

Scottsdale, Ariz.

June 10, 2019



# Government Advocacy 2018-19

- Waiting on stalled top Transport files, amidst heady political distraction
- Government consultation exercises continue, more horizontal issues (i.e. labour policy, pay equity, accessibility, environmental impact assessments, Official Languages)
- Last ditch efforts by government to finalize initiatives (or be seen trying to) before October 19<sup>th</sup> election



# Movement on the Black Box of TC Airports Policy

- Airport Ownership
- Airport Governance
- Charging Principles, Dispute Resolution
- Noise Management
- CATSA funding and structure
- Airport Rent
- Arrivals Duty Free



# Protecting the Business Model

- Airport ownership “review,” 2016-2018
- Consultations on governance, charging principles, dispute Resolution in 2017
- “We still intend to do something” (Transport Canada Policy ADM Policy Lawrence Hanson, May 2019)
- \$\$\$\$ : Fundamentals of the business model

*“Our airports are strong, but like anything, there is always room for improvement. We need to ensure that our airport policy framework keeps pace with the modern context, and makes certain that our airports are effectively positioned for the future...and some of you in my interactions with you, have made it clear that you’d like to see some changes as well. It’s not all just us, and we’ve consulted obviously.”*

– Transport Minister Marc Garneau to Canadian Policy Council (April 2018)

# Air Passenger Protection Regulations



- CAC appeared July 27<sup>th</sup>, provided written submission at consultations and Gazette 1
  - Vagueness of language
  - Role of government service providers
  - Attribution of blame
  - Airport impacts from potential air carrier operational changes
- Regs finalized, to be implemented July 15<sup>th</sup> and December 1<sup>st</sup>
- \$\$?: Unknown impact on airport operations, relations with air carriers

# Accessibility

- CTA regulations apply to airports with 100,000< pax a year
- C-81 provisions create new bureaucracy, increases fines
- Promoting Rick Hanson Foundation Certification Program for the Built Environment
- \$\$\$: Unknown impact



# Airports Capital Assistance Program



- Coordinating broad-based coalition of regional airport groups for improvements to the Airports Capital Assistance Program.
- Consensus coalescing around:
  - Increased funding to reflect coming wave of renewal requirements, inflation, climate change, and regulatory requirements
  - Modernization of criteria and eligible equipment
  - No need to expand eligible airports
- Increasing regulatory burden – RESA a \$166 million cost for small airports, accessibility regs
- Working with regional aviation partners to determine capital needs on a national basis
- \$\$\$: Important source of funds for eligible airports, but funding capped at just \$38.5 million a year

# Beyond Pre-Clearance

- Canadian/U.S. cooperation to protect borders and trade
- Numerous events in 2018-19, six working groups
  1. Facial Recognition
  2. ETA/ESTA
  3. Cargo Industry Research for government policy
  4. Remote Screening
  5. Trusted Traveller Programs
  6. Rescreening of Checked Bags
  7. Future Facility Design
- \$\$\$: Improved passenger flow, potentially big savings from simplified facility requirements
- Meanwhile, awaiting new LMRA Preclearance Regs (\$\$\$ Expansion is expensive)



# CATSA: Creating a New DSA

- Budget 2019 committed to transitioning CATSA to a not-for-profit entity along “NAV Canada model.”
- Nonshare capital corporation, like NAV Canada and airports, “industry-led.”
- Budget Implementation Bill contains Security Screening Services Commercialization Act enabling legislation.
- Airports and airlines to work with government on transition.
- Set its own rates and charges, responsible for funding operations and capital investments into equipment and innovation.
- Government preserves designation role.





# Active Parliamentary/Regulatory Exercises

|  | Passenger Facing   | Technical   |
|--|--|---|
| <b>Parliamentary Committee (Transport)</b> | <ul style="list-style-type: none"> <li>Study on Aircraft Noise – Report issued, government preparing response</li> </ul>   | <ul style="list-style-type: none"> <li>Study on Canadian Transportation and Logistics Strategy – Report issued with favourable recommendations, restarted with focus on Atlantic/Quebec</li> <li>Study on Flight Schools (report issued with favourable recommendations on ACAP)</li> </ul>   |
| <b>Legislative</b>                         | <ul style="list-style-type: none"> <li>C-81 Accessibility Act (Royal Assent)</li> <li>C-97 Budget Implementation Bill Division 12 on CATSA restructuring (Senate)</li> </ul>   | <ul style="list-style-type: none"> <li>C-69 Impact Assessment Act (Senate)</li> </ul>   |
| <b>Regulatory</b>                          | <ul style="list-style-type: none"> <li>Treasury Board Official Languages Regs (Awaiting final regs)</li> <li>CTA Passenger rights regs (Published May 24<sup>th</sup>)</li> <li>CTA Accessibility (Awaiting final regs, expected end of July)</li> </ul> | <ul style="list-style-type: none"> <li>Runway End Safety Areas (Awaiting final regs)</li> <li>Global Reporting Format/TALPA (Awaiting final advisory circular)</li> <li>Performance Data Regs Part 1: Airlines, CATSA, CBSA (Awaiting final regs)</li> <li>Performance Data Regs Part 2: Airports (consultations expected)</li> <li>Canada Labor Code Part 1: Proposed regs on re-tendering (Consultations)</li> <li>Pay Equity Act development of regulations (consultations)</li> </ul> |

\$DISTRACTION\$

# Advocacy Ahead

- **Now-October 19** Materials for members, advocacy advertising, Wonder Takes Flight Phase 2
- **October 19<** Relationship building, agenda influencing with new government
- **Long Term** Wonder Takes Flight



**Questions?**