

Statement of

**The Honorable M. Susan Savage
Mayor of Tulsa**

on

Pending Aviation Issues

before the

**House Transportation and Infrastructure
Subcommittee on Aviation**

U.S. House of Representatives

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Good morning, Mr. Chairman, Ranking Minority Member Lipinski and Members of the Subcommittee, I am M. Susan Savage, Mayor of Tulsa. I am pleased to appear before you today and have the opportunity to emphasize the importance of increased aviation investment for Tulsa and the broader national economy.

I am testifying today on behalf of the City of Tulsa, the Tulsa Airport Authority, on which I serve, and The United States Conference of Mayors, where I serve as a member of the Conference's Executive Committee.

Mr. Chairman, I am also pleased to join with Mayor Campbell today to add my voice to the many others who are urging Congress to act this year on a multi-year aviation renewal bill, legislation that mayors believe should be patterned after this Committee's bipartisan "AIR-21" proposal.

AIR-21

Mr. Chairman, I want to thank you and Ranking Minority Member Lipinski, the members of the Subcommittee, along with Committee Chairman Bud Shuster and Ranking Minority Member James Oberstar, for your leadership in crafting an aviation bill that deals substantively and forcefully with the many issues before the nation in the aviation arena.

Last month in Washington, DC, more than 250 mayors had the opportunity to hear Chairman Shuster speak on pending aviation matters during the opening session of the Conference's 68th Winter Meeting. I can assure this committee that the mayors strongly share the Chairman's resolve to address our nation's aviation needs more fully through enactment of the key elements and principles embodied in "AIR-21."

We also see an aviation system which, in the Chairman's words, is hurdling toward gridlock.

We see a FAA navigation system that is continually being challenged by unrelenting growth in commercial traffic.

And, we see critical facilities that need replacement, modernization and expansion.

We also know that increased investment is needed today to meet growing passenger loads and to satisfy the ever-increasing importance of air cargo in fueling our 21st century economy.

At the Mayor's Convention last month, the mayors also met with Transportation Secretary Rodney Slater, who expressed his view that we can get a multi-year aviation bill this year.

He told the mayors that "aviation in the 21st century will be as important as the Interstate System was to the latter half of the 20th Century." Secretary Slater also pointed out that while air cargo accounts for only three percent of the total tonnage that is carried; it represents 45 percent of the total value.

In preparing for today, I learned that passenger enplanements grew by 25 percent for the five-year period, 1993-1998, as compared to U.S. population growth during the same period of about five percent.

And, the FAA tells us that there is more to come, estimating a 43 percent increase in passenger enplanements for the 10-year period ending 2008.

What we now know about the demands on the nation's aviation system should compel Congress to act and to act quickly.

As mayors, we believe we are trying to do our part to make sure we meet the investment needs of our aviation system. And, we understand that to be successful at the local level, we need a stronger federal partnership commitment, like what you have set forth in AIR-21. That is why Mayor Campbell and I are here today. We want to build the case for a stronger and more certain multi-year resource commitment to the nation's airport and aviation system.

Mr. Chairman, I focus my remarks today on two key areas. First, I discuss some of the Conference's work on metro economies and why mayors believe aviation investment, specifically, is needed to fuel the nation's powerful city/county metro economic engines.

Second, I discuss some of the specific challenges and issues before the Tulsa area which will help underscore why our area is seeking a stronger federal partnership on aviation matters.

Metro Economies

Mr. Chairman, two years ago, the Conference of Mayors joined with the National Association of Counties to secure new information on the output of the nation's city/county metropolitan areas. We partnered with Standard & Poor's DRI, one of the nation's leading economic firms, to produce for the first time gross metropolitan product or GMP numbers for the nation's more than 300 urbanized areas.

Attached to my statement is a brief report on our 1998 GMP study.

GMP is analogous to the concept of gross domestic product or GDP that is used to measure the total annual value of goods and services that nations produce.

We undertook this analysis to provide you and other policy-makers with a more complete understanding of how these city/county metro economies drive the nation's economy.

In releasing our 1998 GMP figures last year, Conference President and Denver Mayor Wellington E. Webb said, "The United States is the strongest nation on earth, experiencing its longest peacetime expansion. One important key to understanding this complex phenomenon is to recognize, as our report (*U.S. Metro Economies: The Engines of America's Growth*) illustrates, that our economy is being driven by 317 powerful metropolitan economic engines."

The findings are compelling. For example, if city/county metro economies were ranked with nations, 47 of the world's top 100 economies would be U.S. metro areas.

And, this data allows us to see more readily how favorably the output of U.S. metro areas compares with nations of the world. From 1997 to 1998, the economy of the Dallas metro area, exclusive of the Fort Worth metro area, surpassed Thailand. The Atlanta metro area jumped five spots in the rankings, surpassing the economy of South Africa. And, the Tulsa area is now nearly the size of the economy of Vietnam or Kuwait.

Consider this data in the context of states. The combined output of the 10 largest U.S. metro economies surpasses the combined output of 31 states.

And, the impact of these areas within states is substantial. In twenty-six states, metro economies contributed more than 75 percent of their state's product, and in forty-one states, metro economies contributed more than 50 percent.

In 1998, metro areas generated 84 percent of the nation's employment, 84 percent of production of goods and services, and 88 percent of income. For the period from 1992-1998, U.S. metro economies accounted for 89 percent – or over two trillion dollars – of the nation's economic growth. These areas, I should note, represent about 80 percent of the nation's population.

As a mayor, I am here to tell you that a substantial aviation investment, as you have set forth in AIR-21, is the type of policy that is responsive to the needs of the nation's metro economies.

You have heard Mayor Campbell talk about Hartsfield and its role in lifting up the Atlanta metro area and the broader national economy. Atlanta's metro economy grew by 10.77 percent from 1997 to 1998, more than double U.S. economic growth during the same period. The performance of Hartsfield and a strong national aviation system are critical to this success.

I can assure you that Mayors throughout this nation understand what the AIR-21 legislation is about and how a broader federal financial commitment translates into specific projects, improving levels of service, introducing more competition and increasing economic productivity.

Tulsa Issues

Tulsa has a rich and vibrant history in the aviation world, dating back to the 1920s when W.G. "Bill" Skelly and Waite Phillips – two well-known oilmen – solicited from their friends the initial investment to purchase a 390-acre wheat field and transform it into what would become Tulsa International Airport.

Almost a century later, Tulsa International annually serves more than three million commercial passengers, drawing customers from four states.

It is also the hub of Oklahoma's economic prosperity, standing out as one of the largest aerospace and aviation centers in our region. There are more than 13,000 people employed at our airport, including more than 8,000 with American Airlines and Boeing. The aviation industry, with more than 300 businesses in Tulsa, is a key reason why my community is ranked 8th nationally by Site Selection Magazine for new and expanding industries.

Our airport is also at the center of our global trade, serving as a key component in our inter-modal approach to transportation needs. In addition to serving commercial passengers, and handling more than 60,000 tons of air cargo, Tulsa International is bordered by three interstates, the mainline of the Burlington Northern and an inland port just five miles away.

And more to the point of this hearing, it generates more than \$40 million annually in airport fees and taxes for the federal government. Yet in 1999, we received only 11 cents back on every dollar we sent you. And 1999 was not the worst year we've had. There have been a few years we have received back as much as 25 cents of every dollar, but that was a rare exception, and nothing to brag about.

I am here today to ask that you do for the airports what you did for surface transportation in TEA-21; to join with the local governments to rebuild an aging system in a partnership – a partnership fairer than the one we currently have with the federal government.

Our best opportunity to achieve that is by taking the surplus funds in the Aviation Trust Fund and spending them where the flying public thought the money would be spent – on our airports.

Currently, Tulsa International must use its Passenger Facility Charge to underwrite entire capital projects. Currently there is not enough federal support for our PFC to be used as a local match. It ends up being the only source.

Let me give you an example of the impact on our flying public.

Over the next five years, Tulsa International will undertake \$10 million in basic housekeeping projects on our 22-gate airport terminal. Items like painting, heating and cooling systems, security and updated departure and arrival monitors.

Our roof, which needs replaced, must wait, because our PFC's can only be stretched so far. However, if there were sufficient federal aviation funds we would be quick to request a \$15 million federal grant, then provide more than the required local match with the projects already planned.

What would have been a \$10 million patch job, would be a \$25 million major rehabilitation of our aging terminal building.

Airports like those in Tulsa, Boise City, Little Rock and many others need your leadership on AIR-21, for that legislation holds the key to providing the necessary infrastructure that our commercial aviation industry must have in the 21st Century.

I have, and I will continue, to visit with our congressional delegation about the importance of this issue to Tulsa and the millions of Oklahoman's who depend on safe, professional and timely service at Tulsa International.

In conclusion, I would like to remark on the effort by the Chairman to spur competition and support new carriers.

In Oklahoma, Governor Keating and the Oklahoma Legislature have joined the City of Tulsa in a partnership to provide substantial incentives for an airline that will fly direct from our state to Washington D.C, New York City, Los Angeles and San Jose.

Interestingly, the greatest support for this start-up has not come from Tulsa and Oklahoma City – the metropolitan areas where you must still fly to a major hub before reaching any of these four destinations.

The greatest support has come from the rural areas of Oklahoma – areas not unlike many of you represent.

For those Oklahomans, they must first drive to Tulsa or Oklahoma City, then board a plane for Dallas-Fort Worth or St. Louis, then onto the east or west coasts.

AIR-21 includes a loan guarantee program to help airlines to buy regional jets if they use them to serve non-major hub cities, and it creates new programs to help under served airports and promote their air service.

These are important elements of AIR-21 and should be further strengthened.

I would encourage you to go a step further and include new entrant carriers in those loan guarantees, and to remove unused or under-utilized slots at major airports, and assign those slots to carriers willing to provide non-stop service to unserved or under-served communities.

Conclusion

Finally, Mr. Chairman, let me thank you, Chairman Shuster, Ranking Minority Member Oberstar and Members of this Subcommittee for your invitation today and for your leadership on AIR-21.

On behalf of my community, I would like to invite Chairman Shuster, Ranking Minority Member Oberstar and Members of this Subcommittee to Tulsa to further understand the potential that a substantial aviation investment can make, and the depth of support the aviation industry has among airline passengers, the business community and local elected officials.

Thank you.