

09-R-0490

**A RESOLUTION BY
FINANCE/EXECUTIVE COMMITTEE**

**A RESOLUTION OPPOSING HOUSE BILL 644, CREATING THE
MAJOR AIRPORT OPERATIONS BOARD; NOW BEING
CONSIDERED BY THE GEORGIA GENERAL ASSEMBLY; AND
FOR OTHER PURPOSES.**

WHEREAS, House Bill 644 has been introduced during the 2009 session of the Georgia General Assembly; and

WHEREAS, House Bill 644 creates a State Major Airport Operations Board, which applies only to airports with more than 400,000 takeoffs and landings in a calendar year; and

WHEREAS, Hartsfield-Jackson Atlanta International Airport ("Airport") is the only airport in the State that meets this criteria; and

WHEREAS, this legislation would create a State board that would have authority and control over the Airport, leaving the expense of any construction, equipment, improvement, maintenance, and operation the Airport with the City of Atlanta; and

WHEREAS, the Airport could lose millions of dollars in current Federal AIP grants, including future grant eligibility, because this legislation would deprive the Airport of its powers necessary to perform all assurances under federal grant agreements; and

WHEREAS, if the Airport lost this federal funding ability, it would be forced to increase landing fees and charges to recoup those monies, decreasing Airport traffic and harming the region's economy; and

WHEREAS, federal law requires a valid airport operating certificate issued by the FAA, and that the holder have complete control over the airport to perform all obligations required by federal law and grant agreements and transferring control over the Airport without authority to carry out all these obligations would violate federal law; and

WHEREAS, under the PFC law and regulations, the airport sponsor must have full authority to impose the PFC and carry out the proposed program, and depriving the City of control over the Airport would violate this law and the FAA could terminate the authority to collect and use PFCs for the on-going master plan improvements and for the Airport's future projects; and

WHEREAS, federal law and AIP grant assurances prohibit the use of airport revenues for any purpose other than an airport or a local airport system; therefore use of airport revenues for another layer of government, or operation of multiple airports may violate both federal revenue diversion law and the federal Airport Rates and Charges Policy; and

WHEREAS, the City's bond counsel advises that a transfer of the Airport might require that hundreds of millions in airport related debt be refunded which may not be feasible under the current condition of the credit markets and if such refundings are accomplished, will likely be at significantly higher interest rates; and

WHEREAS, refunding bonds issued for this purpose would likely be taxable rather than tax-exempt because many of the bonds are not eligible for advance refunding which would further increase the interest rates on the refunding bonds; and

WHEREAS, refunding costs would be the responsibility of the State of Georgia, and federal laws against diversion of airport revenues would prohibit the State from using airport revenues to pay the refunding costs; and

WHEREAS, federal law and AIP grant agreements do not permit federal contractual obligations to be transferred unless (1) the City voluntarily agrees to assign the grant agreements and (2) the State becomes the sponsor for such agreements to the complete satisfaction of the FAA; and

WHEREAS, federal law does not allow the privatization of commercial airports except under exceptionally limited circumstances not present in HB 644; and

WHEREAS, the U.S. Constitution does not allow a state to abrogate or severely burden the performance of an otherwise valid contract; this legislation could impair contracts with the FAA or with any private enterprise could expose the State to liability; and

WHEREAS, this could lead to uncertainty and confusion as to who will be running the Airport, making it difficult, if not impossible, to formulate or implement critical actions and plans necessary for continuing operations at the Airport; and.

WHEREAS, HB 644 could undermine the existing and effective law enforcement activities and would make passengers, the Airport and the airlines less secure and less safe and the Transportation Security Administration would likely disapprove of such transfer; and

WHEREAS, a wholesale transfer of control would require major management attention, away from focus on critical strategic thinking and planning, leading to serious, long-term disruption in the operations, improvements, financing, and even personnel recruitment for the Southeastern U.S. and Georgia's most important transportation hub; and

WHEREAS, interfering with the sensitive, interdependent relationships among the federal government, the airlines, airport concessionaires, the holders of hundreds of

millions of dollars of Airport bonds and the Airport itself would create an irresponsible threat to a key engine of the region's economy.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that it opposes House Bill 644.

BE IT FURTHER RESOLVED, that all resolutions or parts of resolutions in conflict herewith are hereby waived to the extent of the conflict.

BE IT FINALLY RESOLVED, that the clerk of Council is hereby instructed to immediately transmit an official copy of this Resolution to the members of the Atlanta-Fulton County delegations to the Georgia House of Representatives and the Georgia Senate.

**LARGE
ATTACHMENT(S)
DOCUMENT(S),
MANNUAL(S)
OR
MAP(S)
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