

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2006

2005 SENATE APPROPRIATIONS

SB 2006

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2006

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 27, 2005

Tape Number	Side A	Side B	Meter #
1	a		
Committee Clerk Signature <i>Jane Penk</i>			

Minutes:

Chairman Holmberg called the hearing to order on SB 2006. Roll call was taken, all were present.

Gary R. Ness, Director of the Aeronautics Commission presented written testimony in support of SB 2006. In addition he distributed written supportive testimony from Charity Speich, Airport Manager of Dickinson Theodore Roosevelt Regional Airport, who could not be present at the hearing today. He introduced his staff, who was in attendance at the hearing. Gary Ness discussed the purpose of the Aeronautics Commission, the airport grants history, reviewed the construction programs, improvements to airports, the highlights of future needs and projections, the federal airport capital improvement plans, the airports that have been targeted for improvements that are not accessible to federal money, the Airport 2005 Communication Plan. He then reviewed the budget indicating that for every \$5 the state puts in, \$95 is generated from federal money or other sources.

Senator Andrist questioned the \$550,000 from the general fund and if that was used to capture federal money. If federal money was not obtained would the \$550,000 be spent.

Gary Ness indicated the general fund money is used to match at the local level and the federal source would then be 1.5 million. Currently not enough money is raised to match all of the federal funding available.

Greg Haug, Airport Manager, Bismarck Airport presented written testimony in support of SB 2006. He discussed the current status of the Bismarck Airport and the support that comes through the Aeronautics Commission. He indicated that a visual tour of the facility can be obtained on line at www.bis.org.airport. Plans are to open the terminal in May 2005 and the old structure will be down by Fall of 2005. Parking will not be completed by opening date.

Senator Andrist questions why terminals have to be replaced so frequently.

Greg Haug indicated there are regulation changes, security changes, baggage handling changes.

Niles Hajhka, representative Kadrmas, Lee & Jackson, Inc., presented written testimony in support of SB 2006. He presented a report on small community air service development program, the master planning, part 139 airport certification and pavement maintenance

Chairman Holmberg closed the hearing on SB 2006.


2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2006

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 02/11/05

Tape Number	Side A	Side B	Meter #
1	x		870-2175
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** called meeting to order on SB 2006.

A motion to move the amendment was made by Sen. Grindberg, seconded by Sen. Bowman.

Discussion of the amendment was made by Chairman Holmberg. Chairman Holmberg provided an overview of the amendment, he walked the committee members through the amendment.

Sen. Robinson (1175) Are there general fund savings if we do the 4% and 3% vs. 3% and 4%?

Chairman Holmberg The difference is that in the governors proposal he would have paid out 18 million in general funds for state employee's. This one is 16.5 million, in special funds the governors proposal was 20 million this one is 18.1 of special funds.

Sen. Krauter (1385) 1.5 million dollar reduction in general funds. Is there a plan to use this in equity or other plans.

Chairman Holmberg I do not know.

Sen. Krauter: 5 million in OMB, are there planes to increase this with the 1.5 million?

Chairman Holmberg: No it is going into the general fund.

Page 2
Senate Appropriations Committee
Bill/Resolution Number SB 2006
Hearing Date 02/11/05

Chairman Holmberg stated that the extra 1 million could be used for equity and corrections. Sen.

Robinson also stated that DOCR officers and field services are under funded. According to

Sandy Paulson OMB, corrections would spend most of theirs on equity.

Sen. Mathern Is this part of the Governors position?

Chairman Holmberg I have no idea what the Governors position is.

A roll call vote was taken on the Amendment. Motion for a **DO PASS as AMENDED** by Sen.

Tallackson, seconded by Sen. Grindberg.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ~~2004~~ 2006

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 21, 2005

Tape Number	Side A	Side B	Meter #
2	a		139-175
Committee Clerk Signature <i>Janet Dink</i>			

Minutes:

Chairman Holmberg called the hearing to order on SB ~~2004~~ 2006 on the aeronautics commission, indicating the bill came back from the House with a reduction in the health contract because it came in at less than original. The recommendation is a **DO CONCUR**. Senator Holmberg will carry the bill.

The discussion was closed.

Date 2-10-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 7006

Senate SENATE APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Pass ~~SB~~ Amendment

Motion Made By

Seconded By

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SENATOR KRAUTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VICE CHAIRMAN BOWMAN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SENATOR LINDAAS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VICE CHAIRMAN GRINDBERG	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SENATOR MATHERN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SENATOR ANDRIST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SENATOR ROBINSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SENATOR CHRISTMANN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SEN. TALLACKSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SENATOR FISCHER	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
SENATOR KILZER	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
SENATOR KRINGSTAD	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
SENATOR SCHOBINGER	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
SENATOR THANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes) 9 No 6

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Cast to tape

~~MAST~~
~~CHAP~~

Date
Roll Call Vote #: 2

2-11-05

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB ~~2006~~

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Senate SENATE APPROPRIATIONS

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

DO PASS AS Amended

Motion Made By

I

Seconded By

G

*W did this
com from*

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	<input checked="" type="checkbox"/>		SENATOR KRAUTER	<input checked="" type="checkbox"/>	
VICE CHAIRMAN BOWMAN	<input checked="" type="checkbox"/>		SENATOR LINDAAS	<input checked="" type="checkbox"/>	
VICE CHAIRMAN GRINDBERG	<input checked="" type="checkbox"/>		SENATOR MATHERN	<input checked="" type="checkbox"/>	
SENATOR ANDRIST	<input checked="" type="checkbox"/>		SENATOR ROBINSON	<input checked="" type="checkbox"/>	
SENATOR CHRISTMANN	<input checked="" type="checkbox"/>		SEN. TALLACKSON	<input checked="" type="checkbox"/>	
SENATOR FISCHER	<input checked="" type="checkbox"/>				
SENATOR KILZER	<input checked="" type="checkbox"/>				
SENATOR KRINGSTAD	<input checked="" type="checkbox"/>				
SENATOR SCHOBINGER	<input checked="" type="checkbox"/>				
SENATOR THANE	<input checked="" type="checkbox"/>				

Total (Yes) 15 No 0

Absent 0

Floor Assignment

~~Holmberg~~
~~Holmberg~~ ~~Schobinger~~ ~~Bowman~~

If the vote is on an amendment, briefly indicate intent:

*2006/3 ?
2011 ?*

REPORT OF STANDING COMMITTEE

SB 2006: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2006 was placed on the Sixth order on the calendar.

Page 1, line 18, replace "39,471" with "36,627"

Page 1, line 21, replace "(\$3,371,691)" with "(\$3,374,535)"

Page 1, line 22, replace "(3,399,378)" with "(3,402,222)"

Page 2, line 6, replace "713,895" with "711,051"

Page 2, line 10, replace "5,788,101" with "5,785,257"

Page 2, line 11, replace "5,237,914" with "5,235,070"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - Aeronautics Commission - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$713,895	(\$2,844)	\$711,051
Operating expenses	1,892,706		1,892,706
Capital assets	134,000		134,000
Grants	<u>3,047,500</u>		<u>3,047,500</u>
Total all funds	\$5,788,101	(\$2,844)	\$5,785,257
Less estimated income	<u>5,237,914</u>	<u>(2,844)</u>	<u>5,235,070</u>
General fund	\$550,187	\$0	\$550,187
FTE	6.00	0.00	6.00

Dept. 412 - Aeronautics Commission - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL SENATE CHANGES
Salaries and wages	(\$2,844)	(\$2,844)
Operating expenses		
Capital assets		
Grants		
Total all funds	(\$2,844)	(\$2,844)
Less estimated income	<u>(2,844)</u>	<u>(2,844)</u>
General fund	\$0	\$0
FTE	0.00	0.00

2005 HOUSE APPROPRIATIONS

SB 2006

February 23, 2005

These are excerpts from agency overview hearing; full set of minutes / handouts available. Ask a Legislative Council librarian.

House

2005

Mr. Chadwick Kramer spoke on behalf of the Indian Affairs Commission and distributed written testimony (handout #33-4, attached). Mr. Chadwick reviewed the handout. There were no questions.

2006

Mr. Gary Ness spoke on behalf of the Aeronautics Commission and distributed written testimony (handout #33-5, attached). Mr. Ness continued by explaining the variances between the 03-05 budget and the 05-07 budget.

Rep. Mike Timm, Vice Chairman asked if the airline industry was stable. (tape #1, side B, meter #49.1) **Mr. Ness** answered that United is struggling, but everyone else seems to be strong. There is an upgrade in equipment.

Rep. Jeff Delzer asked if there was a list of the \$63 million requested for this biennium and the \$52 million for the next biennium. **Mr. Ness** answered that they would bring this to the subcommittee hearing. He noted that out of that total, the State is putting in \$2.1 million and the locals put in \$14 million and the federal government has put in about \$45 million. **Rep. Ron Carlisle** mentioned that the subcommittee is scheduled for next week.

Mr. Ness continued by reviewing "N.D. Aviation System Plan" which is attached to Handout #33-5. **Rep. Bob Skarphol** asked about the various airport projects and whether or not plans are submitted. **Mr. Ness** said yes and they have a plan which extends to 2009. Generally, they work on a 3-year basis for planning purposes.

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Ms. Kristin Lunneborg spoke on behalf of the Veteran's Home and distributed written testimony (handout #33-6, attached). Ms. Lunneborg read her testimony.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2006

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Wednesday, March 2, 2005

Tape Number	Side A	Side B	Meter #
1	X		00-32
Committee Clerk Signature <i>RWT</i>			

Minutes:

Chairman Carlisle opened the Hearing on SB 2006 concerning the N.D. Aeronautics Commission. **Mr. Gary R. Ness, Director of the Aeronautics Commission**, read his testimony into the record (See Handout #1). He also introduced his Aviation Planner, Mark Holzer, and his Administrative Assistant, Linda Winiger.

With regard to "Air Service" (See H#1, p. 3 & 32), **Rep. Thoreson** asked if there were will be any additions to the service in the future and **Dir. Ness** said the Airport Authority is currently talking to American West, Delta, Continental, and Northwest. **Rep. Thoreson** asked specifically about city to city service and **Dir. Ness** said over the last 18 years, the industry has tried routes between Fargo and Bismarck; Grand Forks and Bismarck; and even Williston and Bismarck, but so far that is not financially successful. Bismarck is currently studying on-demand charter service and may be in the implementation stage later this year.

After **Dir. Ness** completed his testimony, **Rep. Timm** asked him why the Commission owns two airports. **Dir. Ness** said the Peace Gardens Center Airport was built in 1964 to support the Garden and the crossings. There are ramp areas for customs and border crossing. Riverdale is a rudimentary airport just south of the dam which was developed in 1984 to provide access to the fishing areas. It requires minimal upkeep. The Commission is currently reviewing the Peace Gardens and will continue to review Riverdale as well. **Rep. Timm** asked about the cost of upkeep and **Dir. Ness** said less than \$50,000. It may cost more at the border depending on improvements, but there is 95/5 funding with the federal government for those improvements. **Rep. Timm** asked about the request for an increase of \$27,000 and whether or not that was taken out by the Senate or the Governor. **Dir. Ness** said that was a 5% reduction from the Governor's Budget during the last budget cycle. **Ms. Paulson** confirmed and added that the OMB reinstated that amount for the 05-07 biennium.

Rep. Williams returned to **Rep. Timm's** question regarding the two airports and asked why the Commission owns them. **Dir. Ness** said the Code mandates that the Commission to provide air service into a recreational area that "probably nobody has."

Chairman Carlisle asked if the Senate made any changes to the budget and **Dir. Ness** said they hadn't made any changes.

Rep. Timm asked about smaller airports and their service. **Dir. Ness** referred the Committee to a brochure "North Dakota Aviation System Plan, Summary for 2005-2009" which provides those statistics. (See Handout #2).

Rep. Thoreson asked about accident investigation and **Dir. Ness** said accidents are investigated by the FFA, which sends the Commission a report.

Rep. Timm asked about the work at the Minot Airport and **Dir. Ness** said they are developing a general aviation ramp south of the tower area,(Meter #18.1)

Mr. Greg Haug, Manager of the Bismarck Airport, read his testimony in support of SB 2006 into the record (See Handout #3). He told Committee members they could get updates on the progress at the web site: www.bismarck.org.

Chairman Carlisle asked Mr. Haug about the open house and **Mr. Haug** said that was planned for the first week in May. The grand opening is planned for mid-September. **Chairman Carlisle** asked if contractors were ahead of schedule and **Mr. Haug** replied in the negative.

Rep. Williams asked if there were any federal cutbacks with grants and **Dir. Ness** said that the President's budget did cut the FFA, but so far there hasn't been too much impact.

Rep. Kroeber asked about the reduction of 70% and whether or not that was just authority that the Agency had if it got additional money. **Dir. Ness** confirmed. The money will not come, so the appropriate reductions were made. **Rep. Kroeber** asked if the Commission has been on the receiving end of any Homeland Security money. **Dir. Ness** said the initial grant was for the bomb blast assessment in all the air carrier airport terminals. Typically federal funds have gone right to the airports. The work at D.L. and Williston is funded with FFA money.

Rep. Timm asked Dir. Ness if he served at the pleasure of the Governor. **Dir. Ness** said the Commission's five board members are appointed by the Governor and they hire Dir. Ness. **Rep. Timm** noted the Director has survived many administrations and **Dir. Ness** said he's working for his third governor.

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Government Operations Division

Bill/Resolution Number SB 2006

Hearing Date Monday, March 2, 2005

Mr. Niles Hushka, CEO of Kadrmas, Lee, & Jackson, Inc. read his testimony in support of SB 2006 into the record. **Rep. Timm** asked if Mr. Hushka's firm is based in North Dakota. **Mr. Hushka** said his firm is based in Bismarck, North Dakota, but that the firm works in 38 states. The firm was founded in Dickinson in 1938. The Bismarck office has 138 employees. He closed his comments by saying, "We couldn't be what we are, because of the remoteness of the population, without airports... Airports are very important to our growth."

Chairman Carlisle closed the hearing on SB 2006.

(Meter #32.0)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2006

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date SB 2006

3-10-05

Tape Number	Side A	Side B	Meter #
Committee Clerk Signature <i>Row. Trumbert</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2006 concerning the budget for the Aeronautics Commission. He commented that this budget is "clean as a whistle" because of sufficient federal funding and the change the Agency made regarding #6 on the green sheet. Since the money is not coming, the Agency just withdrew the request. He advised that whoever takes the bill to Full Committee should bring the brochure about all the airports because there will be questions.

Rep. Kempenich moved a Do Pass on SB 2006; **Rep. Kroeber** seconded.

Hearing no further discussion, **Chairman Carlisle** called for Roll Call Vote #1; Motion carried 6-0-0.

Chairman Carlisle closed discussion on SB 2006.

(Meter #25.5)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2006

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Friday, March 11, 2005

Tape Number	Side A	Side B	Meter #
1	X		00-2.7
Committee Clerk Signature <i>Rene W. Timberlin</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2006 concerning the budget for the Aeronautics Commission. **Rep. Thoreson** moved to reconsider action on SB 2006. **Rep. Kroeber** seconded.

Hearing no discussion, **Chairman Carlisle** called for a voice vote; all in favor.

Chairman Carlisle referred the Committee to Amendment .0201 to SB 2006.

Rep. Thoreson moved to approve Amendment .0201; **Rep. Timm** seconded.

Under discussion, **Chairman Carlisle** explained the amendment provides for the 1% reduction in the health costs. Hearing no further discussion, **Chairman Carlisle** called for Roll Call Vote #1. Motion passed 5-0-1. **Rep. Thoreson** moved a Do Pass on SB 2006 as amended; **Rep.**

Kempenich seconded. Hearing no further discussion, **Chairman Carlisle** called for Roll Call Vote #2. Motion passed 5-0-1.

Chairman Carlisle closed discussion on SB 2006. (Meter #2.7)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2006
Aeronautics Commission

House Appropriations Full Committee

☐ Conference Committee

Hearing Date March 15, 2005

Tape Number	Side A	Side B	Meter #
1	X		#0 - #5.7
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2006.

Rep. Keith Kempenich explained that this commission is a fairly small general fund budget and our committee did not change anything from how it came to us from the Senate other than salary and benefit adjustments.

Rep. Ken Svedjan, Chairman commented that the premiums for health insurance went down by 1% on all budgets from what was in the Governor's budget so we will need to make adjustments on all of these budgets. The total adjustments statewide amount to \$441,000.

Rep. Keith Kempenich explained that there was quite a bit of federal moneys involved in this budget for renovation of airports and such, otherwise this budget ended up pretty close to where it was 2 years ago.

Rep. Keith Kempenich moved to adopt amendment #0201 to SB2006 that makes the adjustments for salaries and health care premiums.

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House Appropriations Committee

Bill/Resolution Number SB2006

Hearing Date March 15, 2005

Rep. Ron Carlisle seconded

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0201 to SB2006. Motion carried.

Rep. Keith Kempenich moved a Do Pass As Amended motion on SB2006

Rep. Ron Carlisle seconded

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion to SB2006. Motion carried with a vote of 21 yeas, 0 neas, and 2 absences. Rep Kempenich will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on SB2006.

Date: 3/10/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2006

House House Appropriations Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS SB 2006

Motion Made By Rep. Kempenich Seconded By Rep. Kroeber

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Kempenich

If the vote is on an amendment, briefly indicate intent:

Date: 3/11/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2008

House House Appropriations Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Approve Amendment 0201

Motion Made By Rep. Thoreson Seconded By Rep. Timm

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams		
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/11/05
Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2006

House House Appropriations Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 58 006.0201

Action Taken DO PASS AS Amended

Motion Made By Rep. Thoreson Seconded By Rep. Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams		
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Rep. Kempenich

If the vote is on an amendment, briefly indicate intent:

Date: March 15, 2005
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2006

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 58006.0201

Action Taken DO PASS AS AMENDED

Motion Made By Rep. Kempenich Seconded By Rep. Carlisle

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	AB		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	AB		Rep. Alon C. Wieland	X	
Rep. Pam Guleson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total Yes 21 No 0

Absent 2

Floor Assignment Rep. Kempenich

If the vote is on an amendment, briefly indicate intent: GO Do Pass As Amended 5-0-1
Kempenich

REPORT OF STANDING COMMITTEE

SB 2006, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2006 was placed on the Sixth order on the calendar.

Page 1, line 18, replace "36,627" with "35,878"

Page 1, line 21, replace "(\$3,374,535)" with "(\$3,375,284)"

Page 1, line 22, replace "(3,402,222)" with "(3,402,971)"

Page 2, line 6, replace "711,051" with "710,302"

Page 2, line 10, replace "5,785,257" with "5,784,508"

Page 2, line 11, replace "5,235,070" with "5,234,321"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - Aeronautics Commission - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$713,895	\$711,051	(\$749)	\$710,302
Operating expenses	1,892,706	1,892,706		1,892,706
Capital assets	134,000	134,000		134,000
Grants	<u>3,047,500</u>	<u>3,047,500</u>		<u>3,047,500</u>
Total all funds	\$5,788,101	\$5,785,257	(\$749)	\$5,784,508
Less estimated income	<u>5,237,914</u>	<u>5,235,070</u>	(749)	<u>5,234,321</u>
General fund	\$550,187	\$550,187	\$0	\$550,187
FTE	6.00	6.00	0.00	6.00

Dept. 412 - Aeronautics Commission - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$749)	(\$749)
Operating expenses		
Capital assets		
Grants		
Total all funds	(\$749)	(\$749)
Less estimated income	(749)	(749)
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

2005 TESTIMONY

SB 2006

SB 2006

North Dakota Aeronautics Commission – 412.0

Senate Appropriations – Harvest Room

Ray Holmberg, Chairman

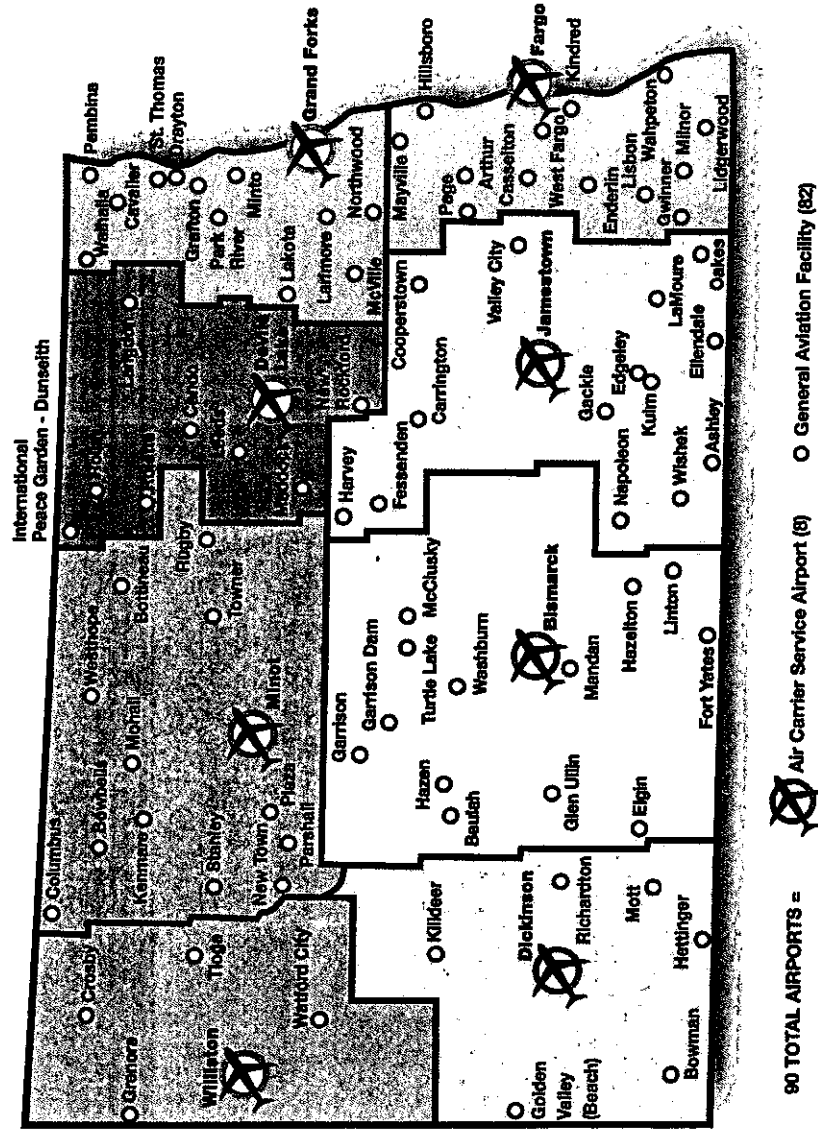
Bill Bowman, V. Chairman

Tony Grindberg, V. Chairman

January 27, 2005

Greetings: The Aeronautics Commission's budget is presented as Budget 412 - Senate Bill 2006.

**The North Dakota
Aeronautics Commission
was established in 1947
by the State Legislature
assigning responsibility
for the state aviation
functions. The Governor
appoints the five
members of the
Aeronautics Commission
to the board.**



- **Agency Mission**

To provide, at the highest priority, economic and technical assistance to insure an orderly and cost effective support system that enables the advancement of the state's aviation system.

- **Agency Vision**

To encourage an unencumbered business climate and foster a positive evolution of the industry.



- **Agency Philosophy**

The state's aviation system is an attractive front door to our state's economic growth. To insure this growth, the system needs continual enhancement. The Aeronautics Commission fulfills this goal through continued flexibility and responsiveness.

Continued close communications with the national scene through congressional offices, Federal Aviation Administration and other national aviation associations is necessary. Continued consultation with the state's aviation community through the North Dakota Aviation Council is of the utmost importance.

These lines of communication will retain and strengthen the positive direction and efforts of the Aeronautics Commission into the future.

State Owned Airports

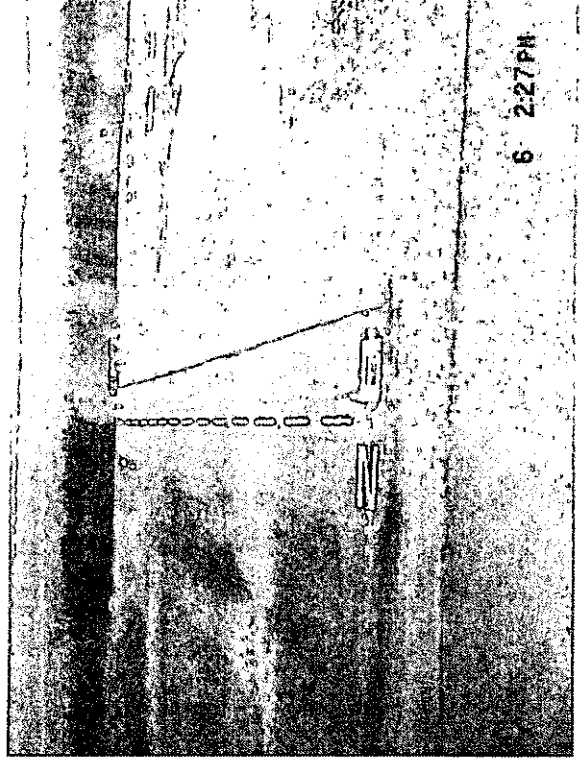
The Aeronautics Commission owns two airports: the Garrison Dam Recreational Airport located between the cities of Riverdale and Pick City, south of the Garrison Dam face and the International Peace Garden Airport located at Dunseith, ND.

Both of these airfields are unlighted Visual Flight Rules (VFR) airports. The Garrison Dam Recreational Airport is closed during snow removal months. The District Office of the ND DOT is contracted to plow the Peace Garden Airport on a need basis.

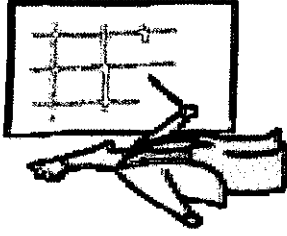
Garrison Dam Recreational Airport - Riverdale gravel surface



International Peace Garden Airport - Dunseith pavement surface – poor condition



Today's Situation in Aviation



- Higher focus on aviation security and airport safety
- Monitor airline schedules and airfares in low profit times as transition is to regional jets and low cost service
- Construct new cargo apron facilities for business growth with inter-modal transfer facilities near airports
- Rehabilitate pavements strategically with limited budgets especially on non-federal paved airports
- Higher insurance costs hurt survival of aviation firms
- Aerospace expansion and medical service in our new economy changing throughout rural ND and has impacted airports access for all-weather approaches
- Technology improving for GPS/NAVAID flight safety & weather
- Monitor federal mandates for aviation industry and airports such as fueling standards, GA security, wildlife hazard, and land-use.
- 167 aerial spray operators support agriculture with 281 planes registered in 2004 that use public airports



Aviation Goals and Objectives

- Foster aviation's economic growth and diversify movement of people and cargo
- Support modernizing 90 public airports to insure a safer flying environment and weather system
- Issue State and FAA airport grants, inspect airports, continuous update of airline service plan, coordinate security plans and be an industry mediator for legislature and congress.
- Market the 7 Airlines with 104 daily flights in ND for better schedules and fares for increasing business and tourism travel.

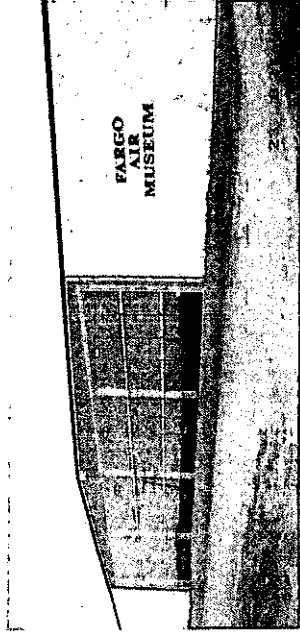
Aviation Education Grants

Another function of the Commission is the **Aviation Education Grant Program**. The request for aviation educational funds remains at \$ 50,000 for the biennium.

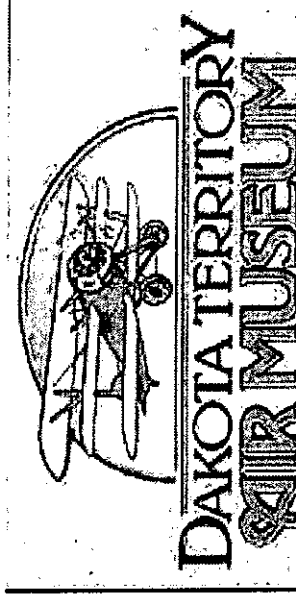
A very valuable program stimulated with these funds is the "**WannaBe Program**". This program brings individuals forward in hopes of sparking their interest in the recreational aviation. The following programs have benefited from these educational funds over the past two years.

North Dakota Aviation Council for the purpose of facilitating educational speakers for the annual aviation convention.

Fargo Air Museum for the promotion of the Educational project of the Wright Flyer



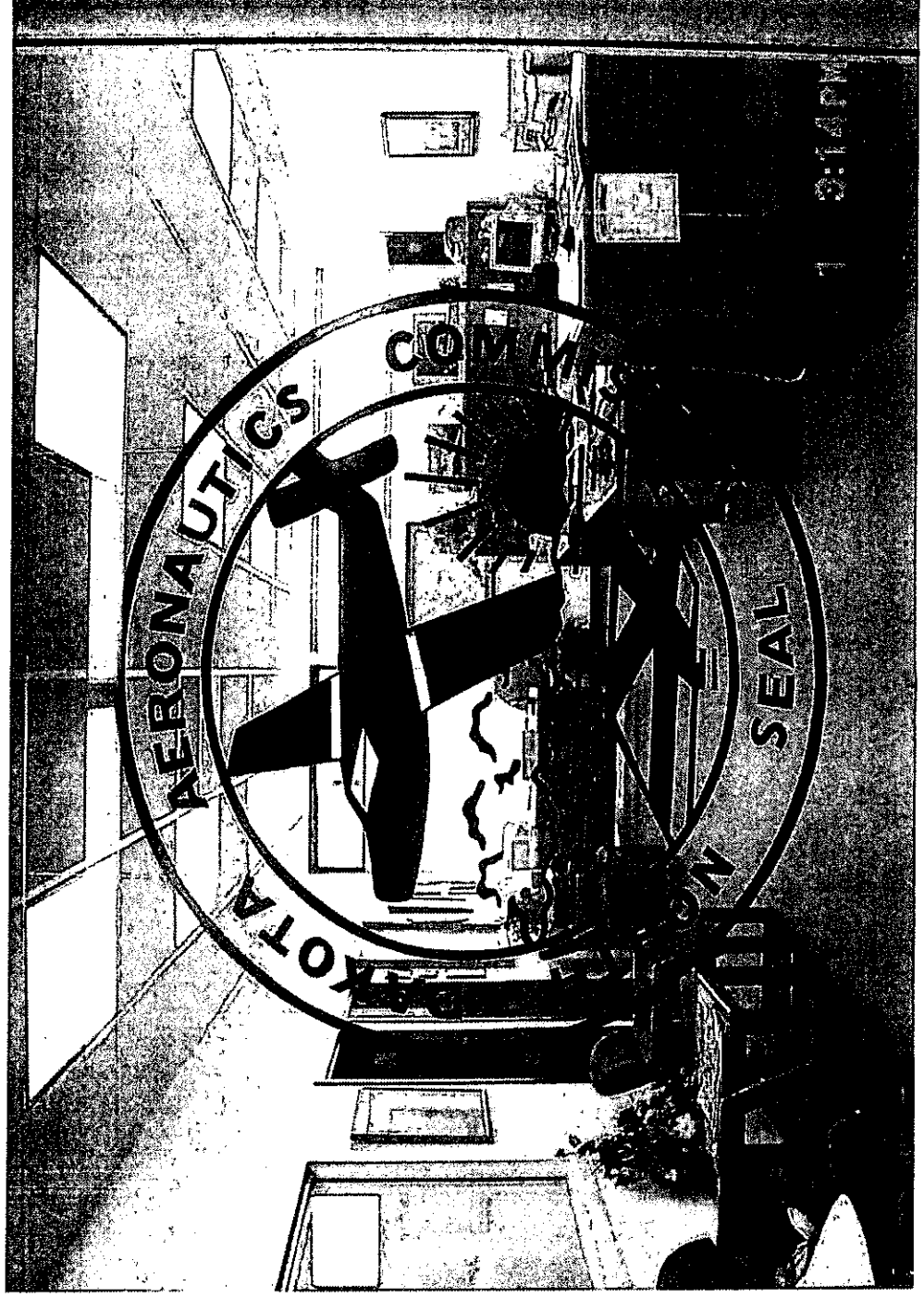
Dakota Territory Air Museum in Minot for the promotion of the educational project of the Wright Flyer.



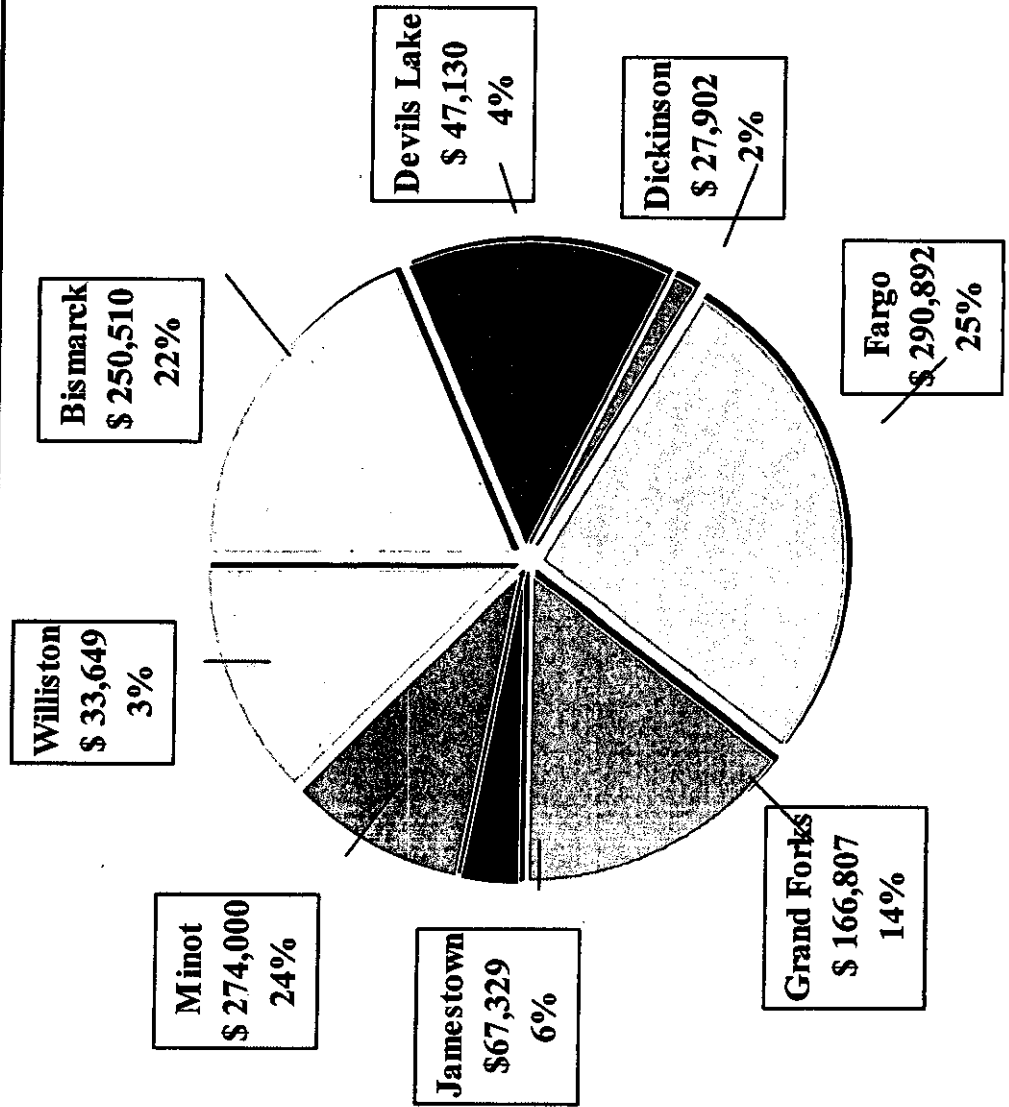
ND Civil Air Patrol for the purchase of materials to give to teachers for promoting aerospace education in the classroom.

Other programs in past years have been the North Dakota Pilot's Association for facilitating safety seminars, Women of the National Agricultural Aviation association for educational purposes, and the North Dakota Aviation Council in the creation of the North Dakota Aviation Hall of Fame.

State Aeronautics Commission Grant Program Summary



Air Service Airport Grants 2003 – 2005 Biennium \$ 1,464,951 Awarded



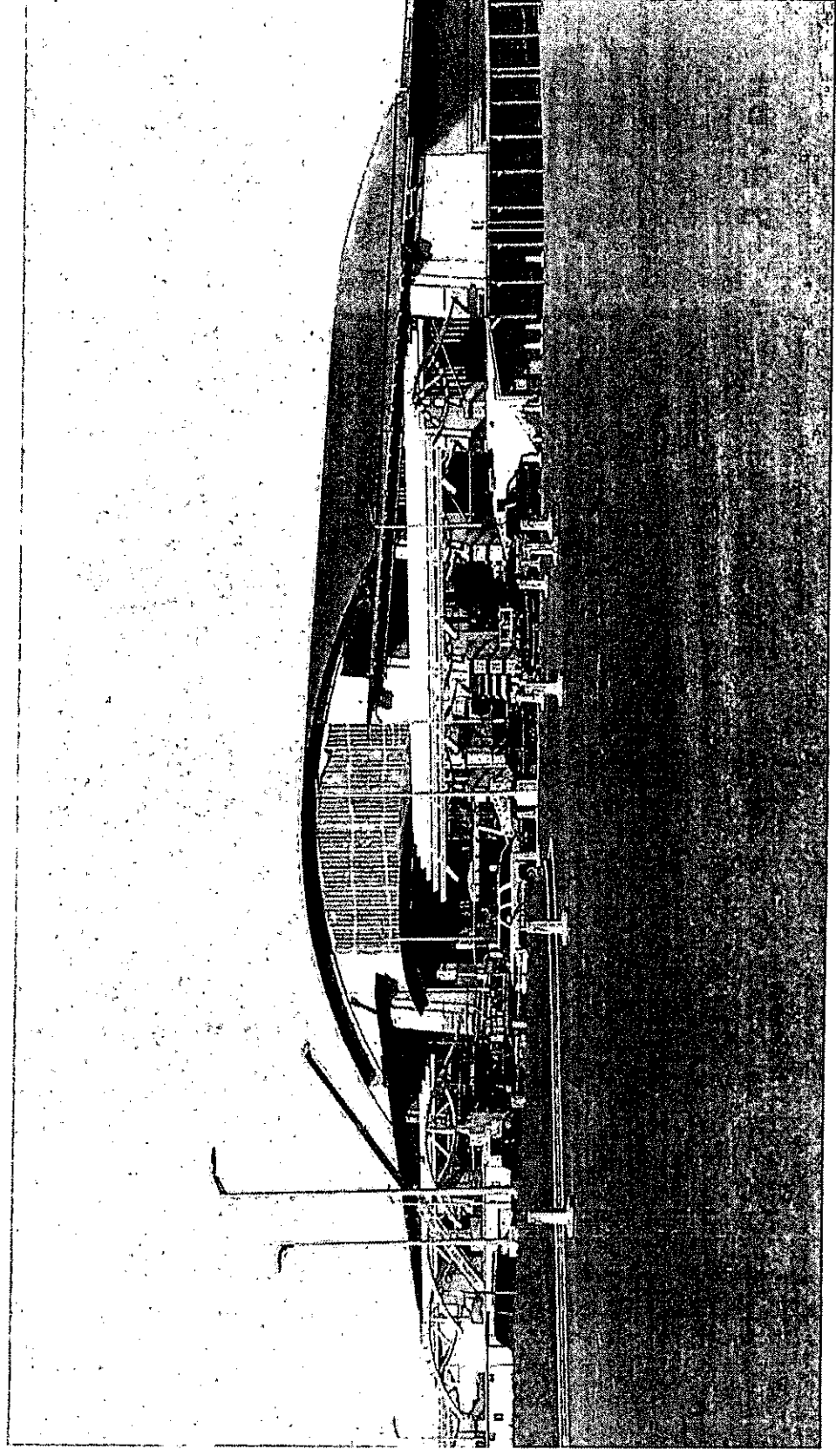
Bismarck
 Devils Lake
 Dickinson
 Fargo
 Grand Forks
 Jamestown
 Minot
 Williston



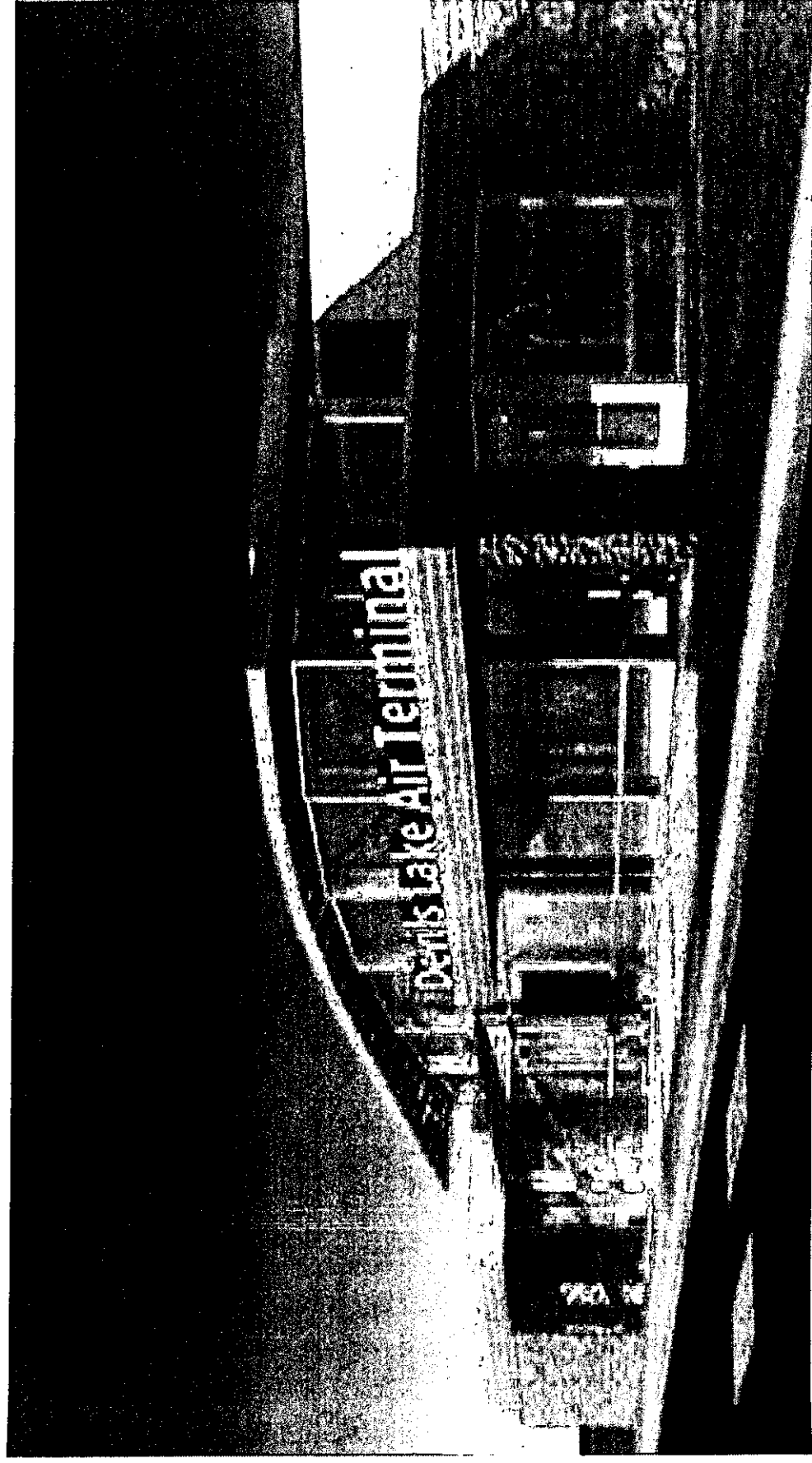
Airport Terminals are Big Funding Focus in 2005

- TSA and Law Enforcement employ more staff and change travel flows in terminals
- FAA utilizes Discretionary grants to upgrade or construct new terminals teamed with state and local innovative financing from city, economic development, and tourism resources
- Terminals redesigned for baggage detection and traffic flows for visitors, cargo, and food services

Bismarck's New \$15 million Terminal – October 2004 view



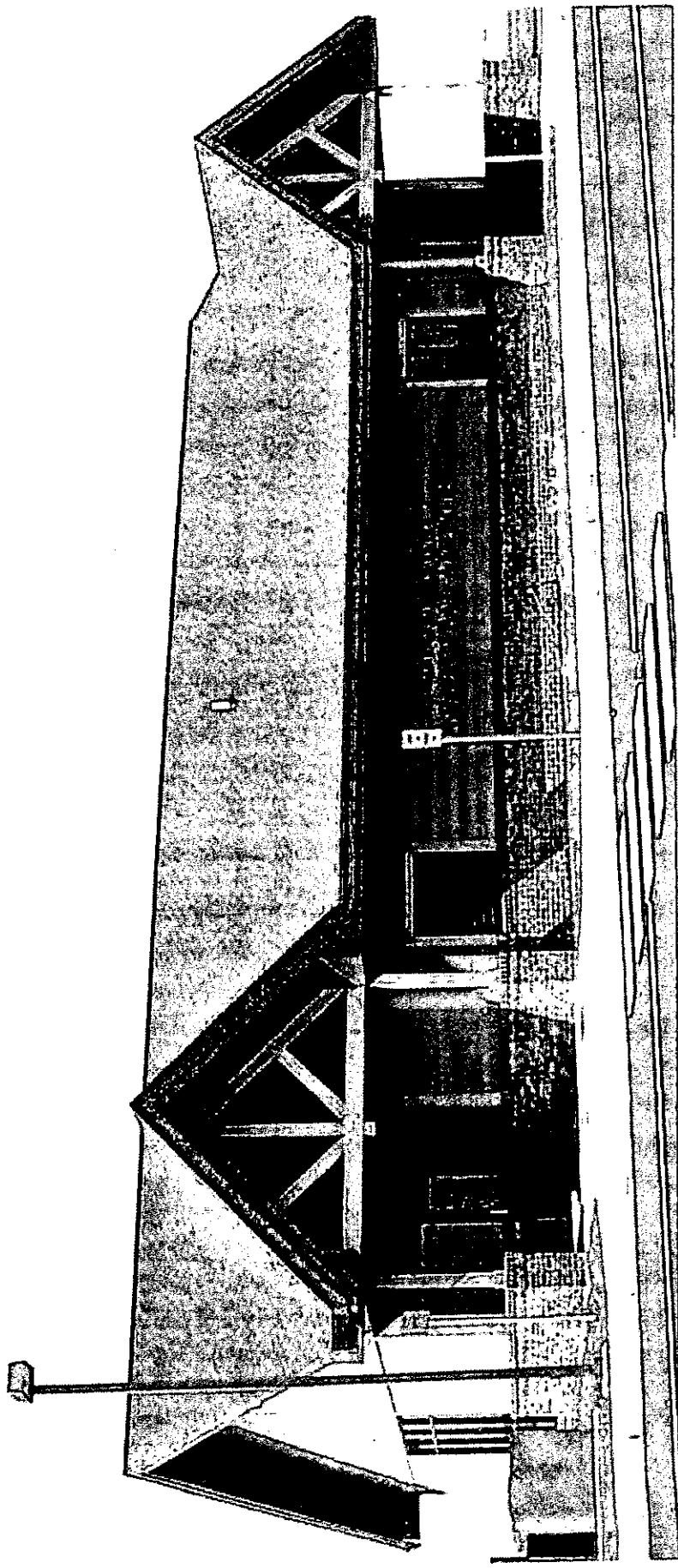
Devils Lake New \$1.0 million Terminal Groundbreaking - August 2004



Williston's New \$1.6 Million Terminal Construction on East Side of Existing Terminal-Nov 2004 for Big Sky and Great Lakes Airline service

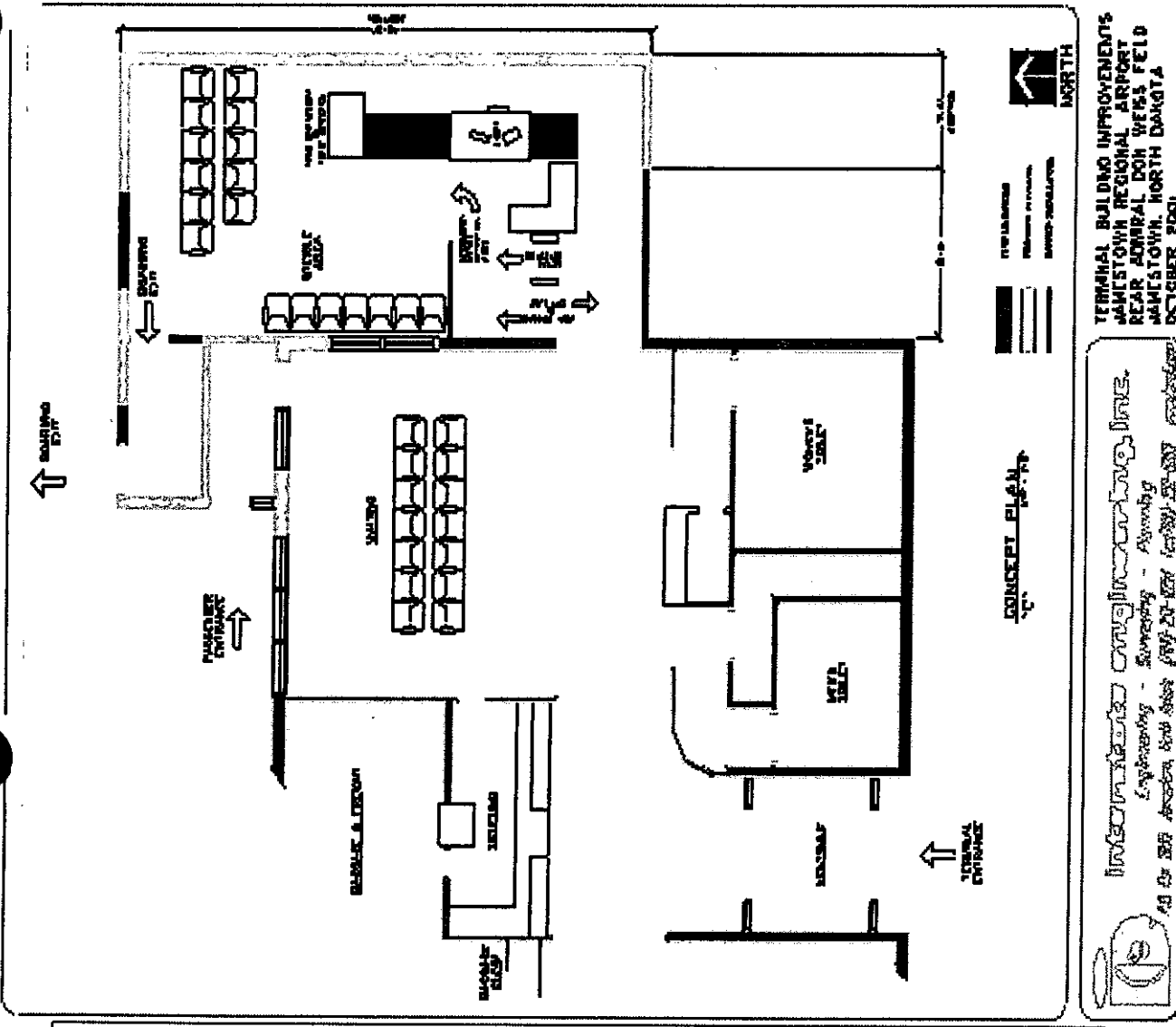


Dickinson's
Airline Terminal built in 2000 was
expanded for TSA offices

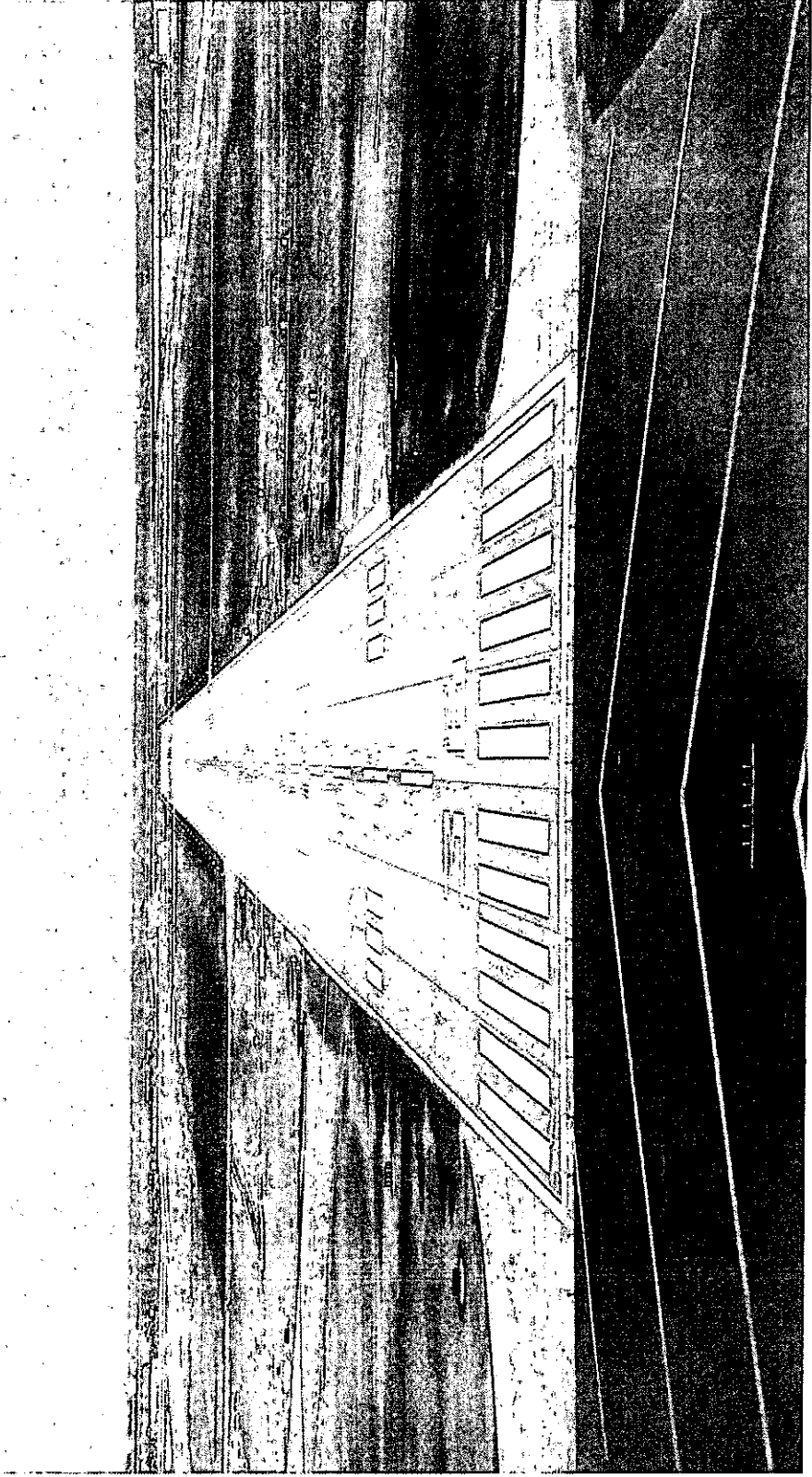


Terminal Expansion

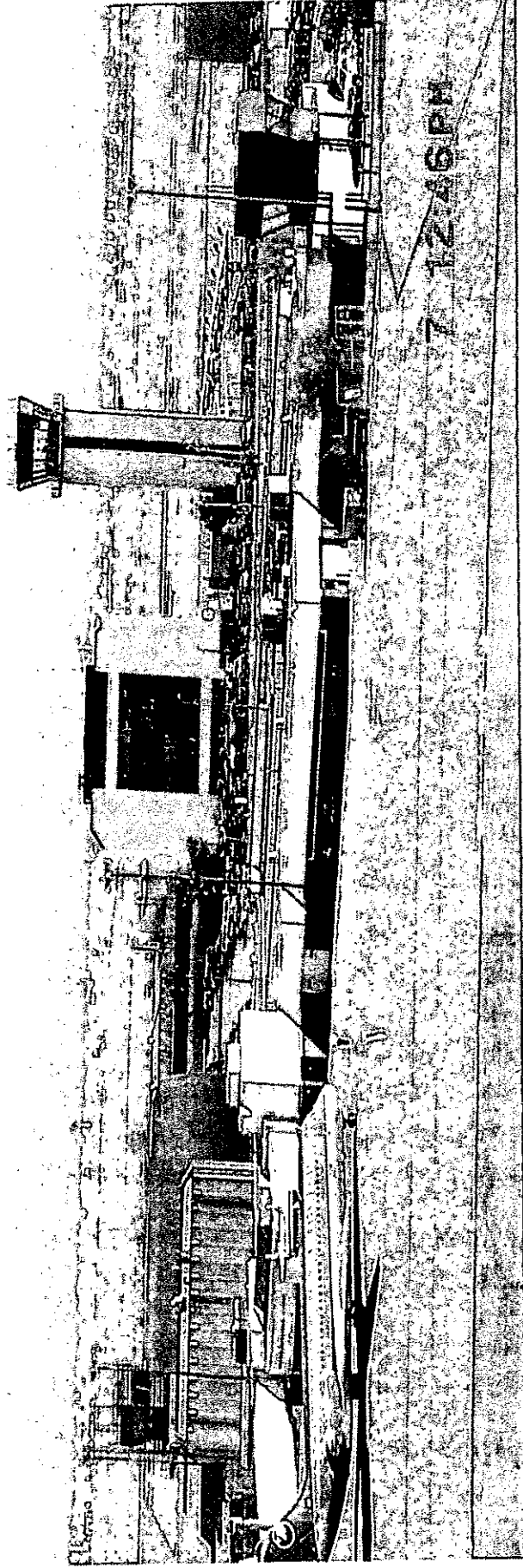
Green shaded
shows new
departure and TS
space additions



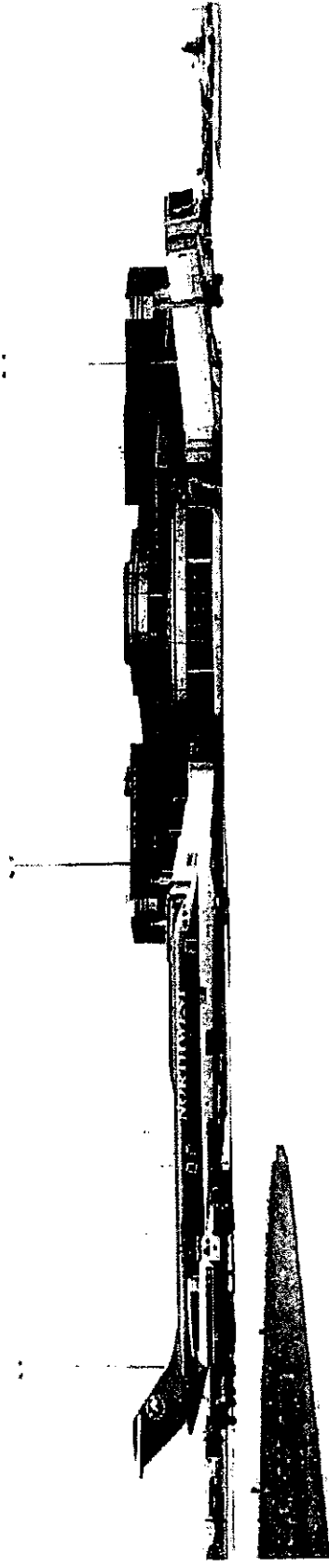
Fargo Reconstructed RWY 18/36
for \$20.2 Million in 2004 -
largest single ND Airport Grant



Grand Fork's - Terminal Area Study started in 2004



Minot Resting in 2004 After Three
Years Building New \$15 Million
Concrete Runway with focus on GA
apron and cargo ramp



General Aviation Airports

General Aviation airports were granted \$ 709,820 from the aviation fuel taxes during the 2003 - 2005 biennium. Of 82 general aviation airports, 56 airports received grants. These grants funded projects ranging from rubber crack filling to runway seal rejuvenations to airport reconstructions. This grant program is the backbone of the airport system as it supports an ever growing need to maintaining our airport's safety to insure our connection with the national transportation system.

1.	Ashley-	\$ 10,500
2.	Beach	60,989
3.	Beulah	8,500
4.	Bottineau	5,805
5.	Bowman	11,496
6.	Cando	11,447
7.	Carrington	11,597
8.	Casselton	16,264
9.	Cavalier	4,532
10.	Cooperstown	30,326
11.	Crosby	6,576
12.	Edgeley	8,807
13.	Ellendale	1,579
14.	Enderlin	23,130
15.	Garrison	3,185
16.	Glen Ullin	10,894
17.	Grafton	9,142
18.	Gwinner	3,266
19.	Hazen	4,333
20.	Hettinger	20,781
21.	Hillsboro	5,051
22.	Kenmare	4,299
23.	Kindred	24,823
24.	Kulm	11,000
25.	Lakota-	10,932
26.	LaMoure	2,102
27.	Langdon	23,201
28.	Leeds	4,824

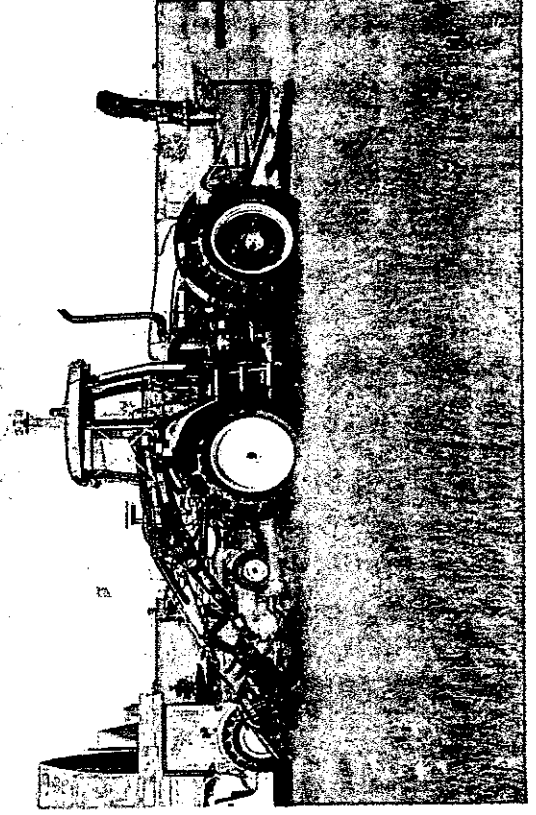
29.	Linton -	9,837
30.	Lisbon-	8,332
31.	Maddock	11,793
32.	Mandan	11,016
33.	Mayville	15,469
34.	Minto	16,364
35.	Mohall -	6,674
36.	Mott	7,368
37.	New Rockford	6,030
38.	Northwood	8,075
39.	Oakes -	4,641
40.	Park River	1,258
41.	Parshall	11,447
42.	Pembina	1,637
43.	Rolette	17,427
44.	Rolla	2,047
45.	Rugby -	13,414
46.	St. Thomas	2,200
47.	Stanley	3,335
48.	Tioga	1,480
49.	Valley City	4,914
50.	Wahpeton	58,658
51.	Walhalla	2,752
52.	Washburn	11,665
53.	Watford City	7,038
54.	West Fargo	107,465
55.	Westhope	5,778
56.	Wishek	2,325

Federal Snow Removal Equipment

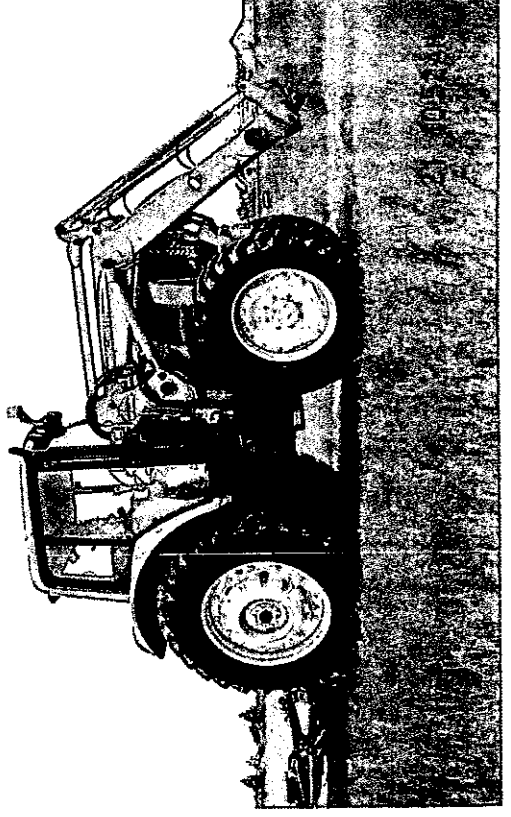
Airport 2002-2004 equipment purchases:

Ellendale, Hettinger, Bowman, Linton. Lakota, Langdon, Rugby,
Washburn, Glen Ullin, Pembina, Cavalier, Casselton
Dickinson, Jamestown, Fargo, Cooperstown, Edgeley, Gwinner, Hillsboro,
Kindred, Mott, Stanley, Parshall, Watford City
2005 bids at Cando, Oakes, Walhalla, Kenmare, Minot

Parshall Airport



Watford City Airport



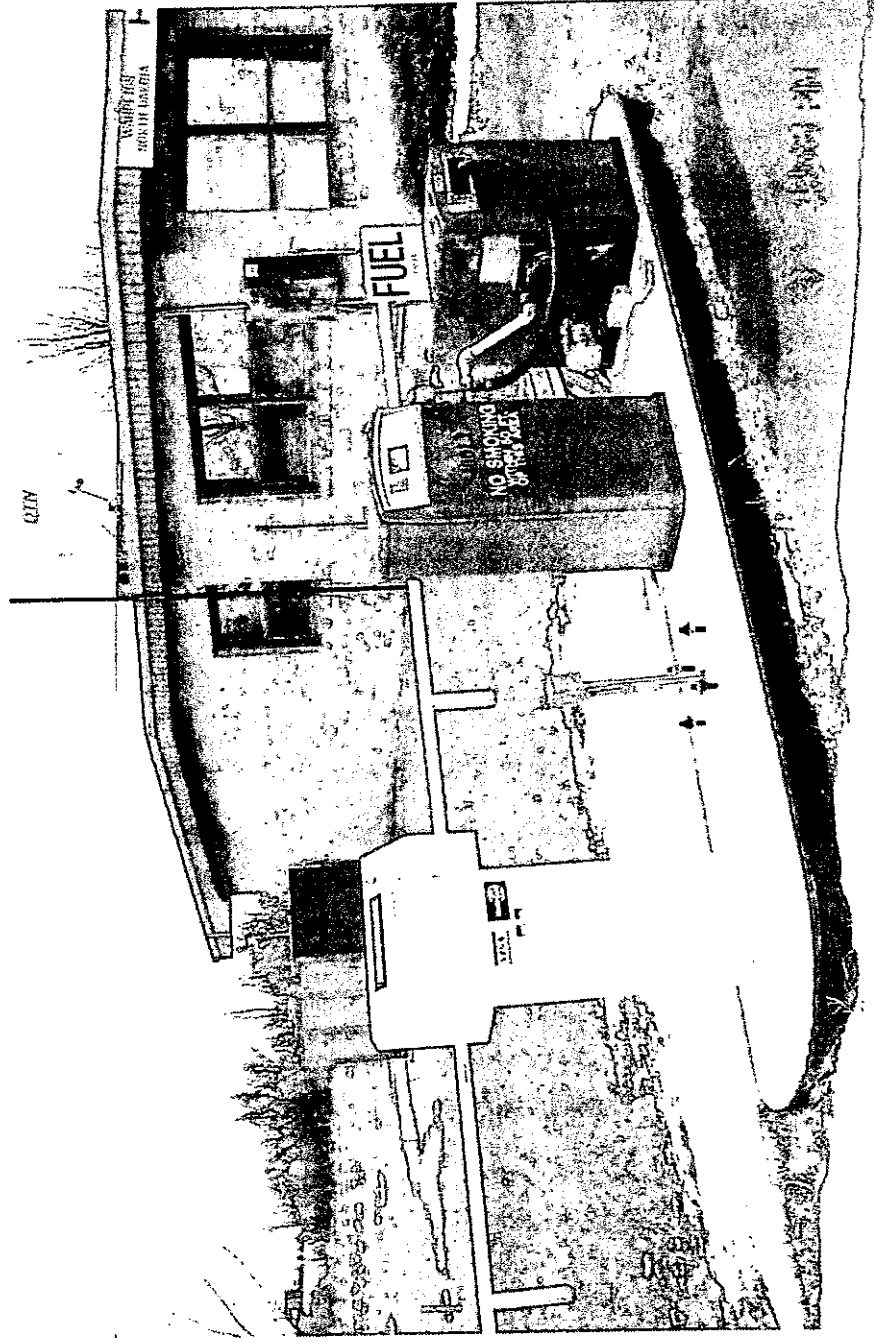
Federally Funded Snow Equipment Storage Building

Airports: Glen Ullin, Hazen, Hillsboro, Mandan, Mott, Parshall



Federal Fueling Systems Eligible in 2004 after Business Plan

Airports: Beach, Watford City, Parshall, Walhalla, Valley City,
Crosby, Hettinger, Grafton, Kenmare, Mott, Garrison, Pembina

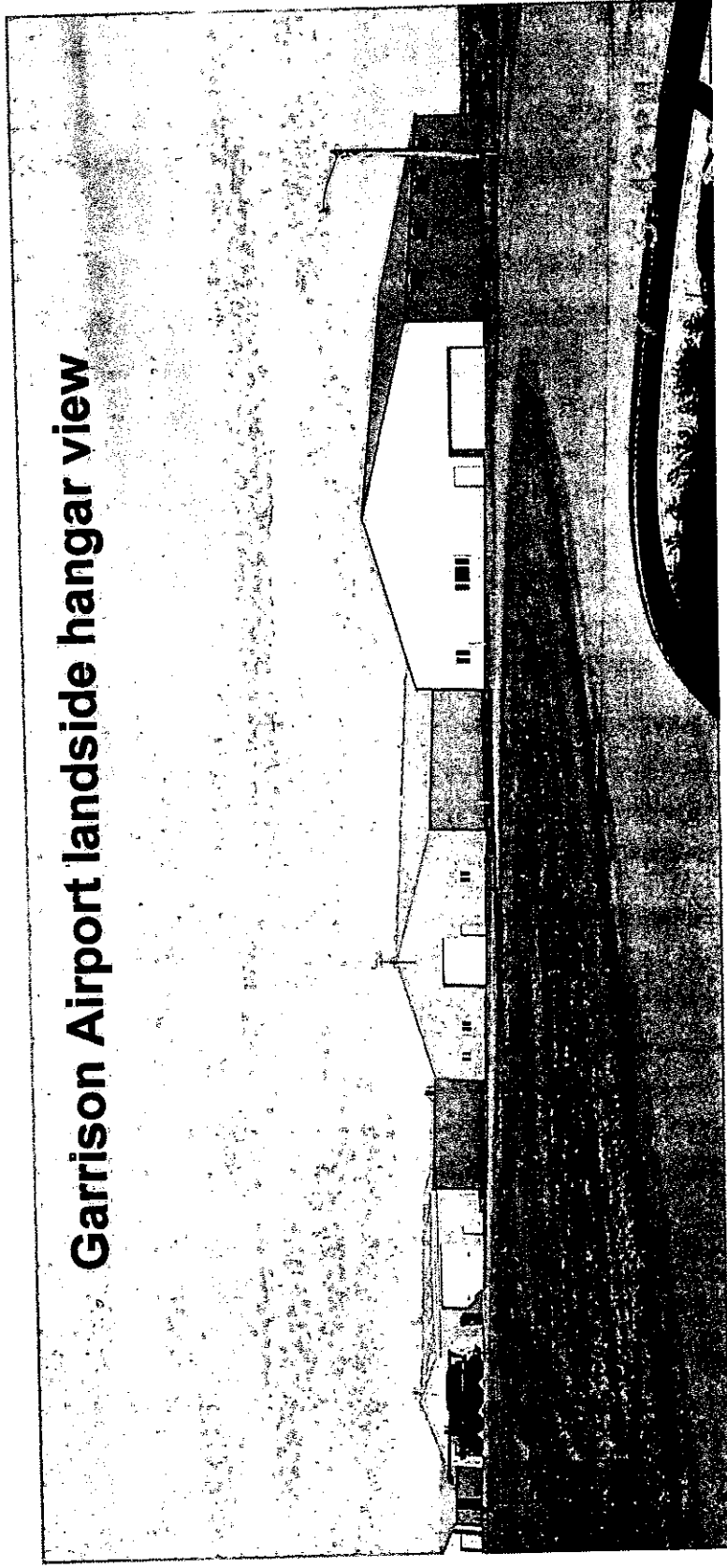


Federal funding of Hangars and Pilot Terminals started in 2004

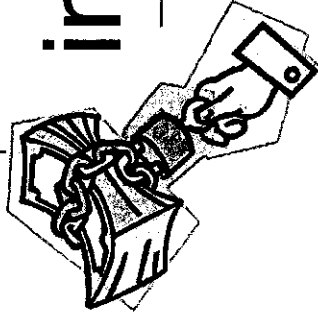
Airports in 2004: Beach, Casselton, Crosby, Hillsboro

Airports in 2005: Langdon, Watford City, Linton, Grafton, Cooperstown, Kindred, Northwood, Carrington, Gwinner, Glen Ullin

Garrison Airport landside hangar view

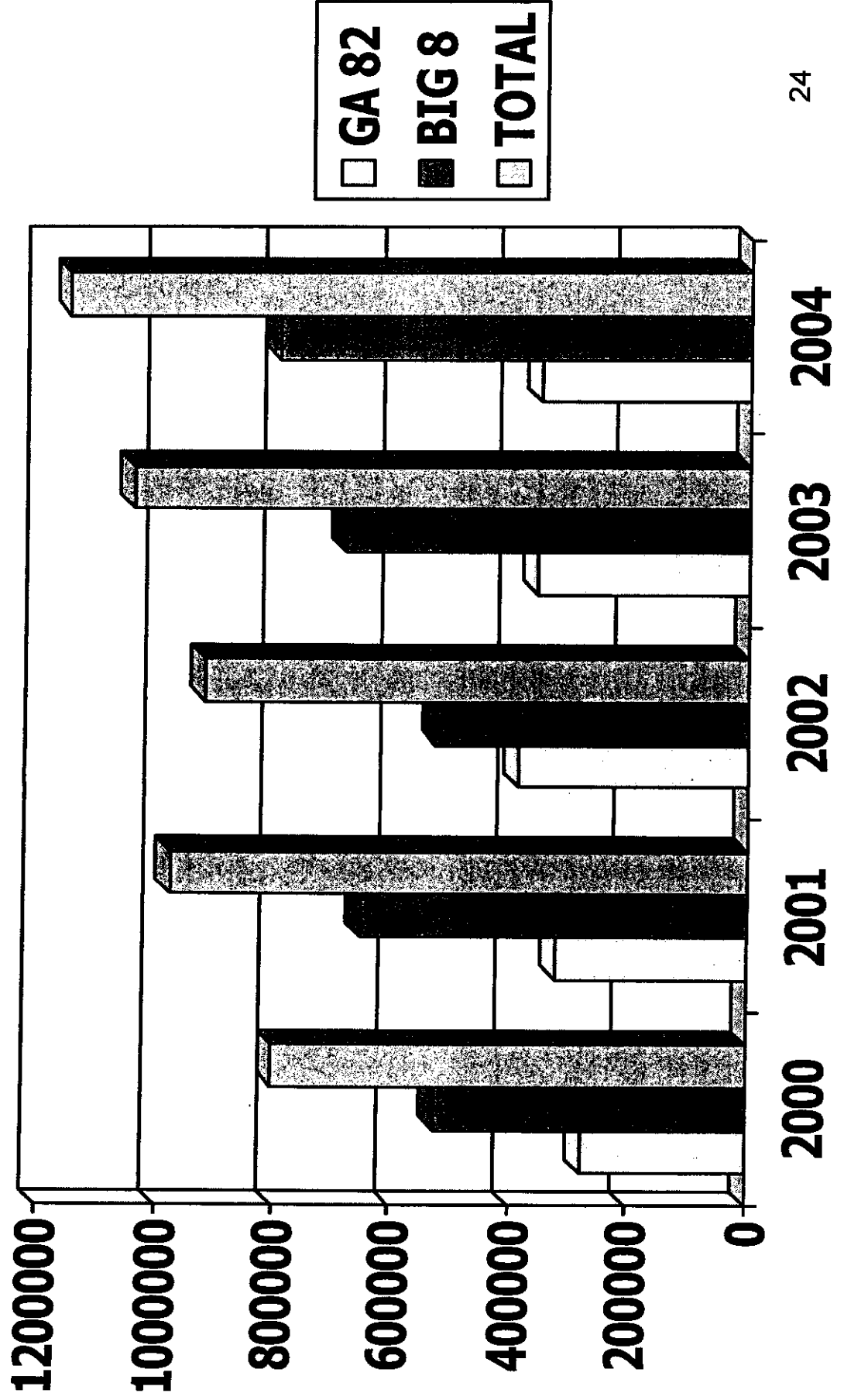


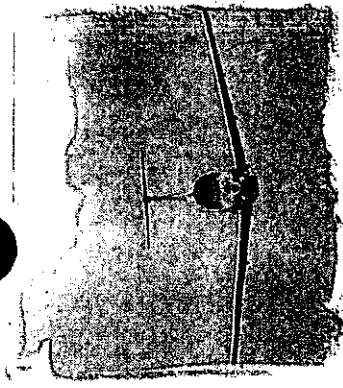
How Did We Get Money to Arrive in 2003 - 2005 ? **\$63 million**



- Local airports exceeds \$14 million income
 - Mill levies, user fees, bonds, PFCs
- State Aero commission nearly \$2.173 mil.
 - Aero Comm grants & Flight line property tax
- Federal over \$46.8 million issued in 106 grants
 - Revenue through ticket taxes, fuel tax, cargo bills, and general funds

Air Carrier and General Aviation State Grant History

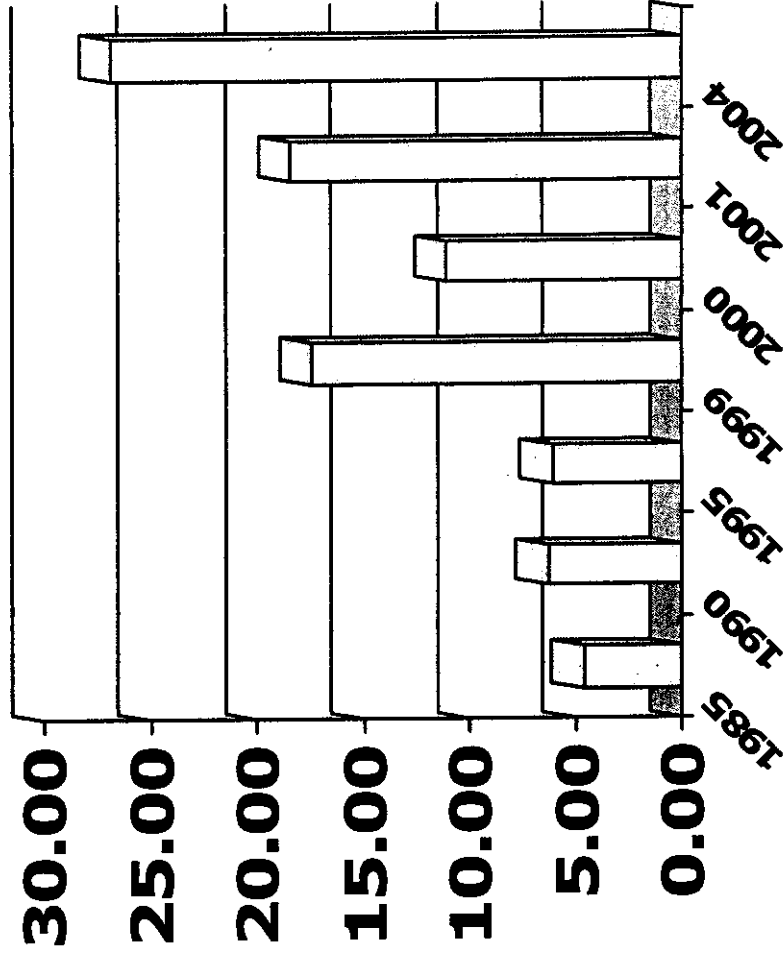




Federal Grant Programs

- Issues 95% federal grants in 2004 to 54 eligible airports for \$26.8 million
- Maintains ILS, VOR's GPS/NAVAIDs for flight routes in skies
- Provides weather services and briefings
- Controls air traffic and separation of flights

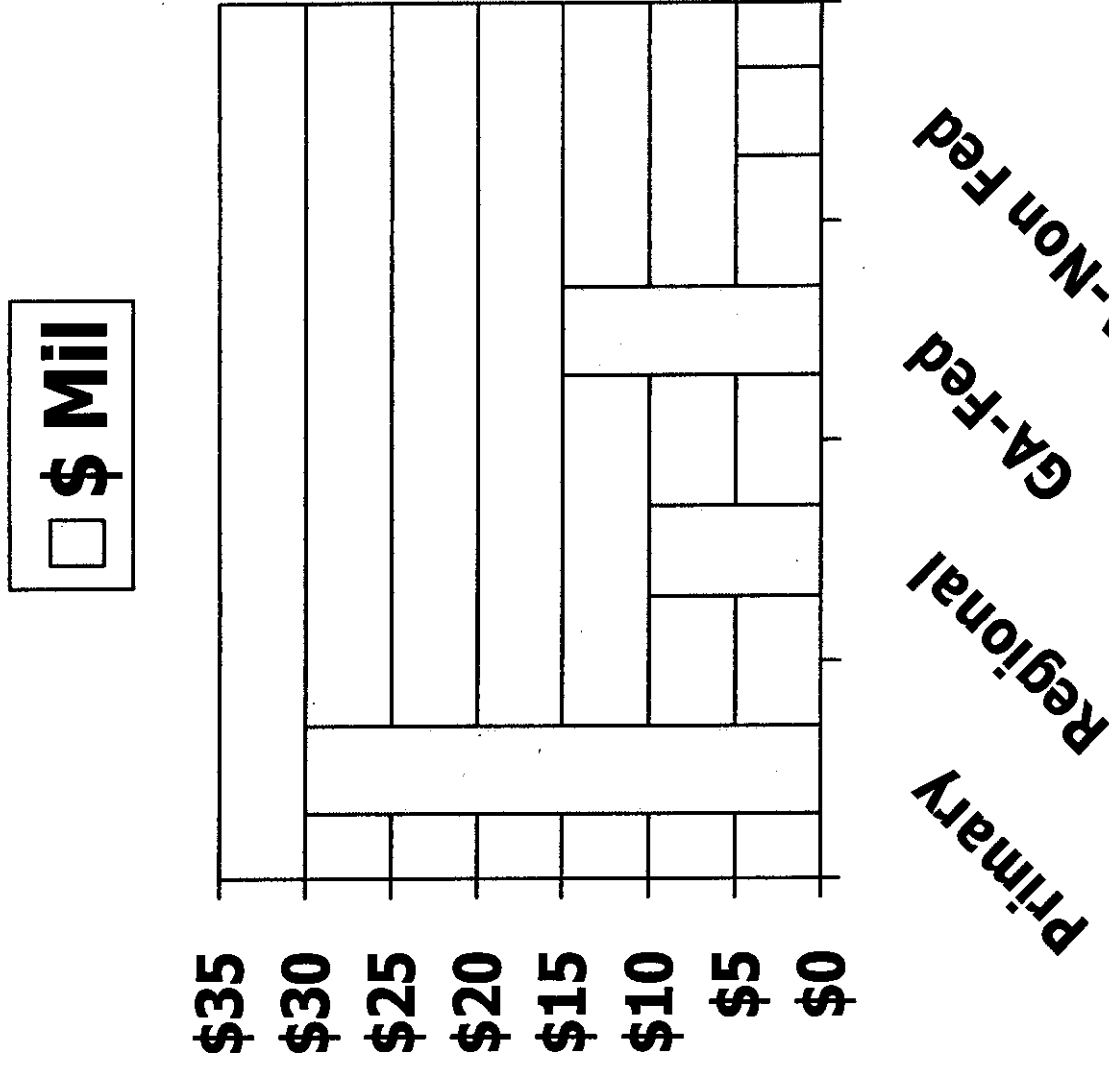
Airport Grants in \$ Millions



Airport Project Needs Annually

- **Primary**
BIS-FAR-GFK-MOT
\$30 mil
- **Regional**
DVL-DIK-JMS-WIL
\$10 Mil
- **GA-Fed** (46 apts)
\$15 mil
- **GA-Non Fed** (36 apts)
\$5 mil

TOTAL
\$ 60 million
annually



North Dakota Needs 2005 - 2009

Primary and Commercial Service Airports

City	Airport	Locl D	Role		Year 5		2005-2009 Dev Cost
			Curren t	Year 5	Enplane d	Bsd Aft	
Bismarck	Bismarck Municipal	BIS	PR	PR	146,733	101	\$16,640,026
Devils Lake	Devils Lake Municipal-Knoke Field	DVL	CM	CM	2,802	57	\$7,168,890
Dickinson	Dickinson Municipal	DIK	CM	CM	3,897	22	\$934,446
Fargo	Hector International	FAR	PR	PR	261,804	228	\$14,502,482
Grand Forks	Grand Forks International	GFK	PR	PR	81,527	87	\$25,977,742
Minot	Minot International	MOT	PR	PR	71,885	71	\$4,881,111
Williston	Sloulin Field International	ISN	CM	CM	4,950	40	\$9,345,555
						573,598	606
							\$79,450,252

Reliever and General Aviation Airports

City	Airport	Loc/ D	Role		Year 5	2005-2009 Dev Cost
			Curren t	Year 5	Based Aircraft	
Beach	Beach	20U	GA	GA	5	\$833,334
Bottineau	Bottineau Municipal	D09	GA	GA	11	\$1,740,738
Bowman	Bowman Municipal	BPP	GA	GA	15	\$1,211,112
Cando	Cando Municipal	9D7	GA	GA	9	\$833,335
Carrington	Carrington Municipal	46D	GA	GA	11	\$833,333
Casselton	Casselton Regional	5N8	GA	GA	51	\$1,055,556
Cavalier	Cavalier Municipal	2C8	GA	GA	14	\$1,073,703
Cooperstown	Cooperstown Municipal	S32	GA	GA	12	\$1,055,556
Crosby	Crosby Municipal	D50	GA	GA	14	\$759,425

Reliever and General Aviation Airports (cont.)

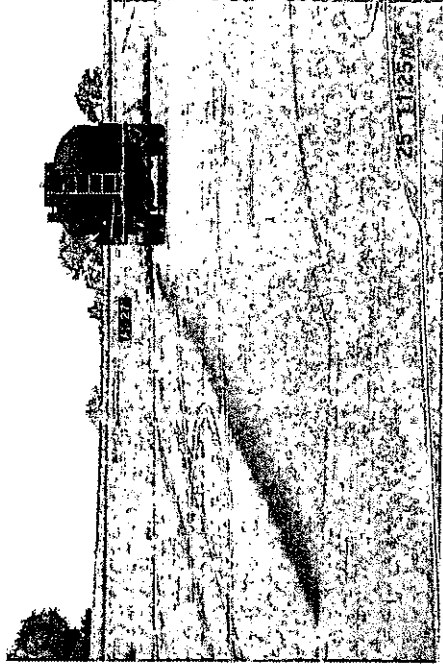
City	Airport	Loc ID	Role		Year 5 Based Aircraft	2005-2009 Dev Cost
			Current	Year 5		
Dunseith	International Peace Garden	S28	GA	GA	0	\$755,555
Edgeley	Edgeley Municipal Airport	51D	GA	GA	4	\$833,459
Fort Yates	Standing Rock	Y27	GA	GA	0	\$766,666
Garrison	Garrison Municipal	D05	GA	GA	9	\$955,555
Glen Ullin	Glen Ullin Municipal	D57	GA	GA	7	\$1,266,666
Grafton	Grafton Municipal	GAF	GA	GA	18	\$1,092,503
Gwinner	Gwinner-Roger Melroe Field	GW R	GA	GA	8	\$1,111,112
Harvey	Harvey Municipal	5H4	GA	GA	6	\$846,913
Hazen	Mercer County Regional	HZE	GA	GA	3	\$749,383
Hettinger	Hettinger Municipal	HEI	GA	GA	20	\$833,334
Hillsboro	Hillsboro Municipal	3H4	GA	GA	16	\$1,259,260
Jamestown	Jamestown Municipal	JMS	GA	CM	42	\$6,555,557
Kenmare	Kenmare Municipal	7K5	GA	GA	15	\$1,067,283
Kindred	Hamry Field	K74	GA	GA	23	\$833,333
La Moure	La Moure Rott Municipal	4F9	GA	GA	10	\$1,694,318
Lakota	Lakota Municipal	5L0	GA	GA	6	\$833,334
Langdon	Robertson Field	D55	GA	GA	12	\$1,318,519
Linton	Linton Municipal	7L2	GA	GA	16	\$1,722,223
Mandan	Mandan Municipal	Y19	GA	GA	32	\$1,566,667
Medora	New			GA	0	\$2,074,445
Mohall	Mohall Municipal	HBC	GA	GA	4	\$1,092,018
Mott	Mott Municipal	3P3	GA	GA	7	\$1,155,555

Reliever and General Aviation Airports (cont.)

City	Airport	Local D.	Role		Year 5 Based Aircraft	2005-2009 Dev. Cost
			Current	Year 5		
Northwood	Northwood Municipal (Vince Field)	4V4	GA	GA	12	\$861,482
Oakes	Oakes Municipal	2D5	GA	GA	16	\$1,000,001
Park River	Park River Municipal	Y37	GA	GA	8	\$844,446
Parshall	Parshall-Hankins	Y74	GA	GA	8	\$1,000,000
Pembina	Pembina Municipal	PMB	GA	GA	16	\$797,901
Rolla	Rolla Municipal	06D	GA	GA	10	\$663,210
Rugby	Rugby Municipal	RUG	GA	GA	14	\$1,222,223
Stanley	Stanley Municipal	08D	GA	GA	11	\$755,555
Tioga	Tioga Municipal	D60	GA	GA	23	\$1,126,914
Valley City	Barnes County Municipal	6D8	GA	GA	45	\$1,288,889
Wahpeton	Harry Stern	BWP	GA	GA	35	\$766,668
Walhalla	Walhalla Municipal	96D	GA	GA	9	\$810,000
Washburn	Washburn Municipal	5C8	GA	GA	6	\$1,266,667
Watford City	Watford City Municipal	S25	GA	GA	12	\$1,085,227
					625	\$53,268,933

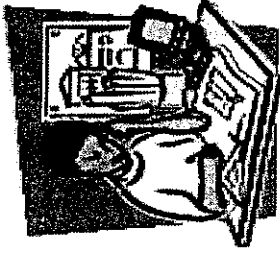
Non-Federal Airports in need of pavement repairs are largest current demand for state grants?

- Napoleon - \$200,000 (\$134K past)
- Mayville - \$258,000 (\$106K past)
- Killdeer - \$180,000 (\$155K past)
- Leeds - \$140,000 (\$42K past)
- New Rockford - \$240,000 (\$212K past)
- Enderlin - \$120,000 (\$157K past)
- Ashley - \$240,000 (\$168K past)
- New Town - \$160,000 (\$128K past)
- PCI report in 2004 will update condition and help prioritize funding if local funds can be secured and bids low in 2005
- Commission may only fund 1 or 2 of these projects per year that may exceed a \$100,000 grant
- FAA funding helps with maintenance like cracks/seals/overlays and at 95% reduces states grant demands



Department of Emergency Management (DEM)

Grant



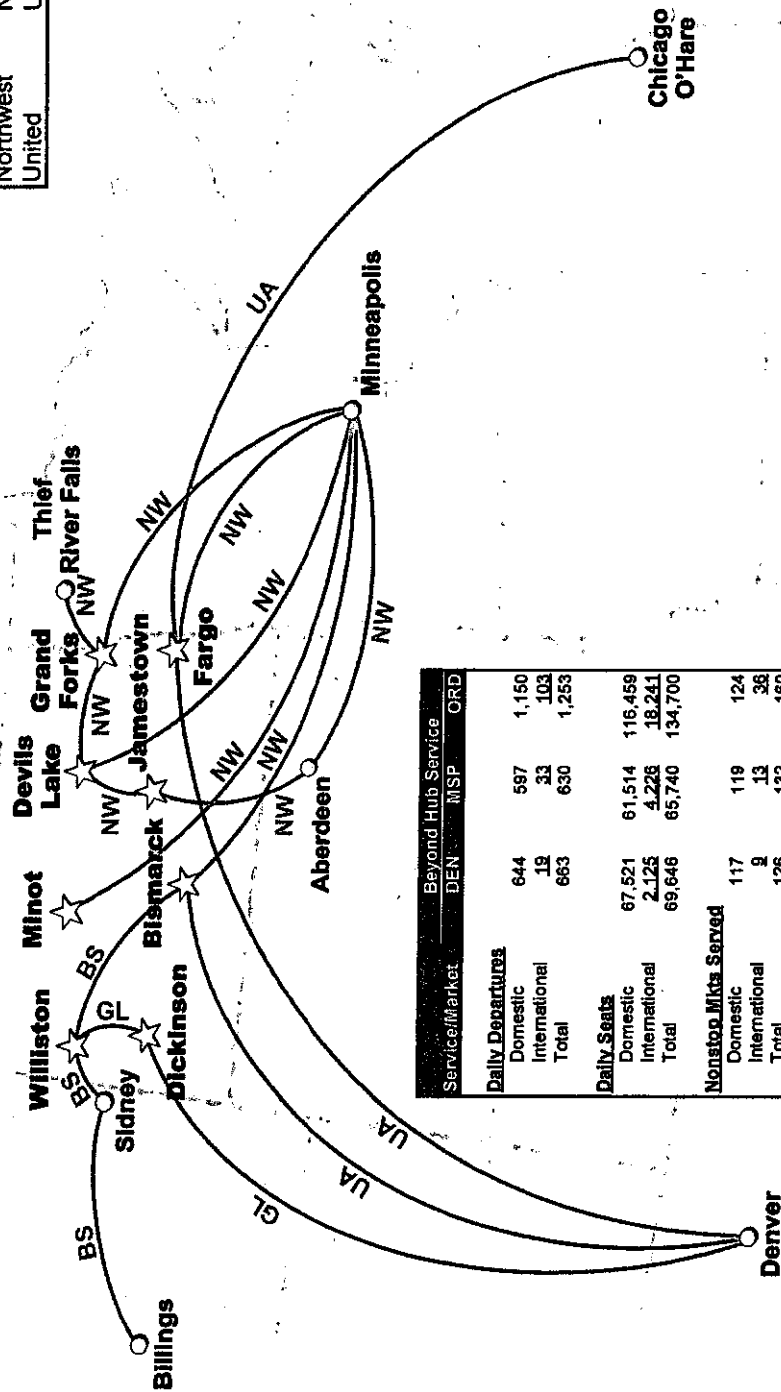
“Airport 2005 Communication Plan”

- Gather vulnerability assessments at 82 General Aviation (GA) airports
- Assess communications and response preparedness with county disaster teams
- Conduct up to 8 regional emergency communications/disaster drills
- Dissemination of educational tools such as video CD and manuals for airport board members

Current North Dakota Air Service Pattern

Carrier	Code
Big Sky	BS
Great Lakes	GL
Northwest	NW
United	UA

JANUARY 2005

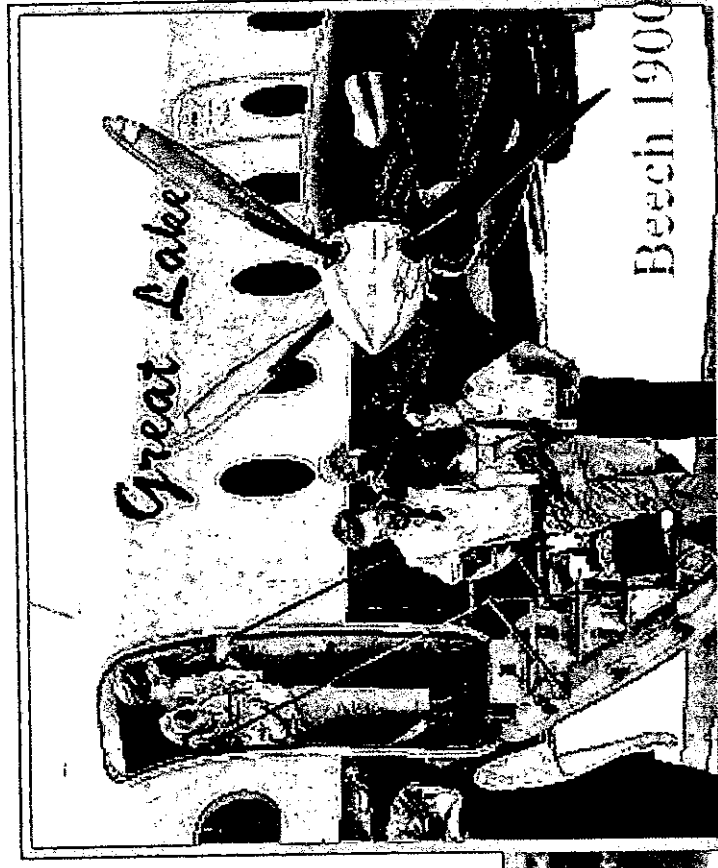


Service/Market	Beyond Hub Service			ORD
	DEN	MSP	ORD	
Daily Departures				
Domestic	644	597	1,150	
International	19	33	103	
Total	663	630	1,253	
Daily Seats				
Domestic	67,521	61,514	116,459	
International	2,125	4,226	18,241	
Total	69,646	65,740	134,700	
Nonstop Mkts Served				
Domestic	117	119	124	
International	9	13	36	
Total	126	132	160	

Source: OAG Schedule Tapes

Regional Flying Future

	<u>Current</u>	<u>Future</u>
Passenger seats:	19	37
Wingspan (feet):	54.5	65.75
Weight (pounds):	16,500	44,000
Avg. Range (miles):	385	1,100
Cruise (knots):	226	450



Grandma says, "You can't get hugs and kisses on the internet"



North Dakota Statewide Air Service Results



- Analyze internet Air Fares survey using UND services
- Airline Recovery has occurred in ND markets
- Feasibility of an Intra-State Network limited as new on-demand Charter Study underway for Biz-Jets
- Feasibility of Expanded Service From the Four Major Airports – BIS, FAR, GFK, MOT
 - Regional Jets to Denver, Minneapolis and Chicago
 - New Hub Services limited with population base
 - Expand Existing Service with modernized fleet mix
- Essential Air Service Program Enhancements in place
- Other Study Topics - Create Historic Databases, Role of Charters, Load Factors increasing, Marketing Effectiveness locally SCAS grant and Price Monitoring

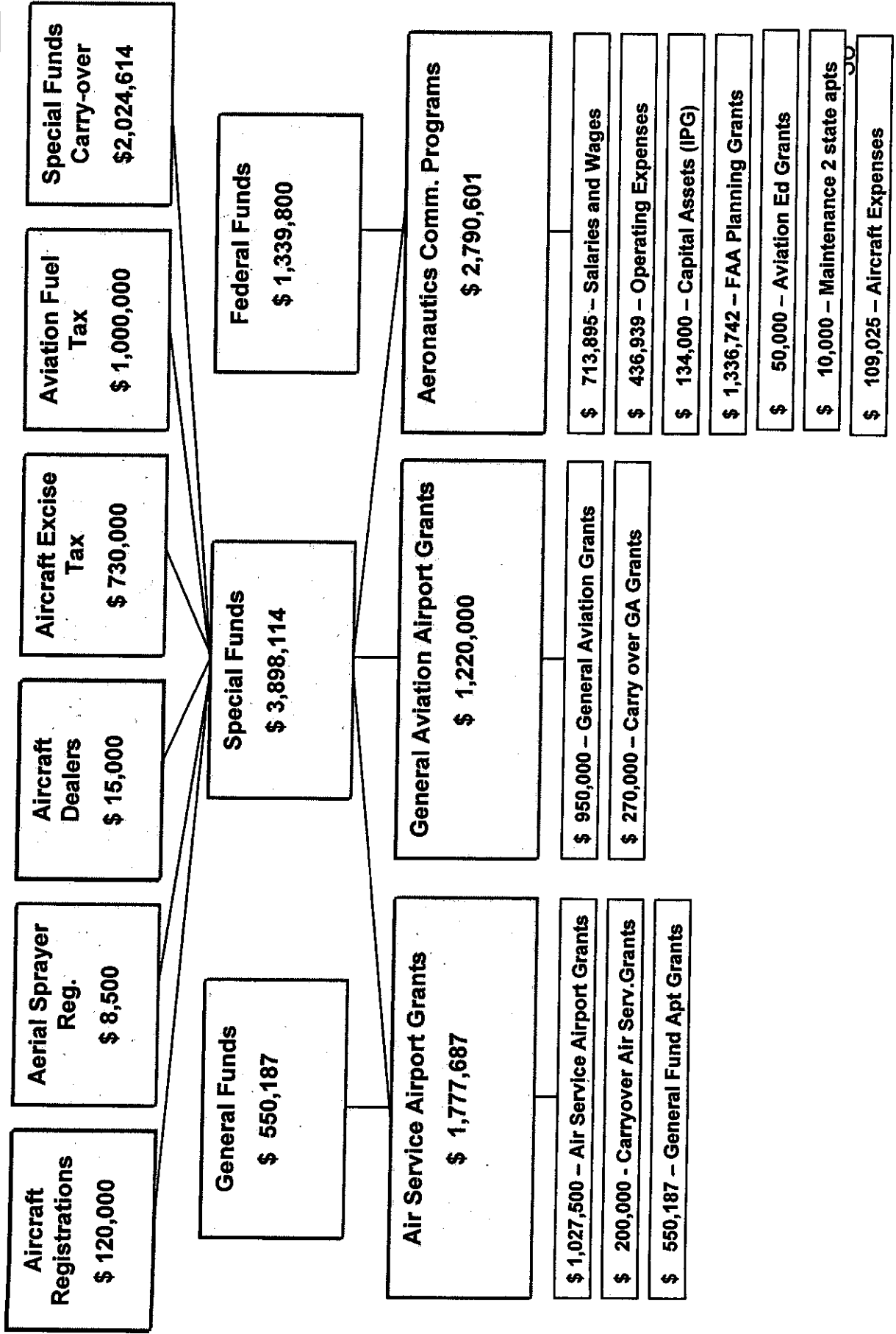


Aviation Goals in Review

- Strong Vision for safety, security and growth as we do not support unfunded mandates and we work to overcome federal burdensome regulations.
- 90 Public Airport System is maintainable if planned strategically for FAA 95% and State 2.5% funding (18 grass public airfields included in 90 total but these do require limited repair funds).
- Currently doing a \$35 million annual federal-state-local airport construction program and \$25 million shortfall is primary issue (40% shortfall)
- Sustain current airline service and general aviation business due to the economy's higher costs in safety, security and federal regulations.
- Air service enhancement is major focus for agency to partner with state's eight airports in Essential Air Service, SCAS programs, UA reorganization and NWA fleet upgrades.

North Dakota Aeronautics Commission 2005 - 2007 Proposed Budget

\$ 5,788,101



We want to thank the Senate Appropriation's Committee for listening to this presentation on behalf of myself and the Commission members; Chairman Robert Miller of Casselton, Vice Chairman Jay B. Lindquist of Hettinger, Cindy Schreiber-Beck of Wahpeton, Diane Herr of Turtle Lake, and Maurice Cook of Bismarck.

Robert J. Miller, Chairman, Casselton, ND - After 30 years of airline service, Bob retired as Captain with Northwest Airlines. He is a real estate business owner, manager of the Casselton Airport and active in economic development in the Casselton area. He is a former Air Force pilot and aerial agricultural applicator. He has been flying 35+ years and has served on the Commission since 1985.

Jay B. Lindquist, Vice Chairman, Hettinger, ND - President of Air Dakota Flite, a full service fixed base operator (FBO). J.B. has a strong aerial applicator background. He has been a Certified Flight Instructor for 40 years and has served as the manager of the Hettinger Airport for many years. His other interests are in banking, retail and farming. He has been flying 45+ years and has been a member of the Commission since 1993.

Cindy K. Schreiber-Beck, Secretary, Wahpeton, ND - Currently serving as the Executive Director of the North Dakota Agriculture Aviation Association (NDAAA). Cindy is an educator involved at the state and national level with aviation and aerospace programs. Cindy is active in Tri-State Aviation, which is involved in aviation facets including parts fabrication, war bird restoration and general mechanical services. She is active in the Wahpeton business and education community and has served on the Commission since 1997.

Maurice E. Cook, Member, Bismarck, ND - A practicing lawyer, who has since 1980, limited his practice to serving as bond counsel. He is a current multi-engine rated pilot. He served four years as Commander of the North Dakota Wing of the Civil Air Patrol and ten years at Civil Air Patrol's National Legal Office. Maurice began flying at Hettinger in 1952. He has served on the Commission since 1999.

Diane L. Herr, Member, Turtle Lake, ND - This US Postmaster is an active private pilot. She has served as President of the ND Chapter of the 99's, is a member of the North Dakota Pilot's Association and EAA. Diane is very active in community affairs, participates in the Young Eagle program and organizes a very well attended fly-in at the Turtle Lake Airport each year. Diane has served on the Commission since 1998.

SB-2006- ND Aeronautics Commission
Senate Appropriations – Senator Ray Holmberg, Chairman
January 27, 2005
Harvest Room

Chairman Holmberg and Committee members, I'm Gary R. Ness, Director of the Aeronautics Commission. I stand before you with budget bill SB-2006.

I intend to report on the position of the agency, how we have progressed with the present funding as well as what is planned for the future. During this testimony I will refer, for your information, to the page numbers in the packet before you.

Several years ago the Commission developed Vision and Mission Statements. These statements are found on page 2.

Agency Vision: To encourage an unencumbered business climate and to foster a positive evolution of the industry.

Agency Mission: To provide as the highest priority, economic and technical assistance to insure an orderly and cost-effective support system that enables the advancement of the state's aviation system.

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At this time I would like to introduce the staff that provides those services to the aviation community and the general public of the state.

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The General Aviation side is summarized on pages 18 through 22. The last two years have been busy, for the first time in the history of airport development we had the opportunity, through the FAA's Airport Improvement Program (AIP), to purchase snow removal equipment, construct equipment buildings to house same, finance the purchase of aviation cardtrole fueling systems and provide funding for hangar development. The fueling and hangar program will be revenue producing for the airports. This was the first time in history that this special opportunity came about for these improvements on General Aviation public use airports

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We will continue to be aggressive with the FAA's program because, starting in 2004, it provides to our community airports 95% funding. Our history of state grants in combination with the Federal program is graphically shown on pages 24 & 25. Without that kind of federal participation we would not be able to maintain the rehab and development of the system.

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The Commission is continually in contact with the local airports, the FAA Airport District Office, Congressional offices and the several engineering firms that provide the valuable guidance to the airports in the state system.

The agency plans to up date the Aviation Economic Impact Study this coming year to remind and reinforce the importance of the industry to the states economy.

There are 90 airports in North Dakota with only nine professional paid managers in the whole state. The management of those other 81 airports is governed, typically, by airport authority boards of volunteers that strive to keep the Front Door to their community's business sector and rural medical service on the front burner. To support this effort the Commission along with the Dept of Emergency Management, with a Homeland Security Grant, will be conducting what has been titled "Airport 2005 Communication Plan", referenced on page 31. We are in the data and information gathering stage of this project and will be providing the planning/training to all 82 general aviation communities over the next nine months.

This will help coordinate the safety/ security and the communication of any emergency event that could happen at today's airport. The Homeland Security requirements have been and will continue to be an unknown influence on all facets within the state. At very short notice the agency could be required to completely re-focus efforts. Our ability to originally quickly respond and fulfill obligation should not be taken for granted. Being a border state, we have to maintain awareness and continue to be ready for future challenges.

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Review:

We will continue to enhance and support the aviation system of the state as the cities strive to improve the investment of the local airport and improve the front door to the states communities. The Commission will work to bring to the table the new technologies available for navigation, instrument approaches, weather reporting and information dissemination that continues to emerge in today's aviation industry. Those efforts will support the local economic development projects and provide financial or technical expertise for a safe and secure facility for normal day to day operations and emergency medical services to all communities.

Page 36, is a wiring diagram of the Commission budget it depicts the revenue side and also provides a picture of where the funds are expended. The request for an increase in General Funds in this budget is the return to the Airport Grants line of \$27, 687.00 that was cut from the 2003-05 budget. As outlined earlier these funds generate \$95 for every \$5 we put towards airport AIP projects.

The agency reduced the Federal Fund line \$3.5 million because the FAA Block Grant program is not going to come as expected so this reduction gives a more realistic picture of revenue from the federal side of the ledger. The remaining Special Funds increases are related to Executive recommendation salary adjustments and projected Connect ND and IT costs increases.

We thank the Committee for listening to presentation on behalf of the Commission members;

Chairman Robert Miller, Casselton,
Vice Chair, Jay B. Lindquist, Hettinger
Secretary, Cindy Schreiber-Beck, Wahpeton,
Dianne Herr, Turtle Lake
Maurice Cook, Bismarck

"When you build a mile of road you travel one mile. When you build a mile of runway you open the world to your travel."

I thank you and stand ready for comments or questions.

HOUSE APPROPRIATIONS COMMITTEE
GOVERNMENT OPERATIONS DIVISION

#3
H. App. G.O.
Wed. 3/2/05
SB 2006

REPRESENTATIVE: RON CARLISLE, CHAIRMAN
 MIKE TIMM, VICE CHAIRMAN
REF: SB #2006 - ND AERONAUTICS COMMISSION BUDGET

Same
given to
Senate

Mr. Chairman, Members of the Committee;

My name is Greg Haug, I am the Airport Manager of the Bismarck Airport and I am appearing before you on behalf of the City of Bismarck in support of House Bill #2006.

The Bismarck Airport is in the process of completing a 4-year, \$25 million Terminal Area Development project. Our funding needs for this project have far exceeded our entitlements from the FAA, but with the help and coordination efforts of Gary and his staff, we have been successful at fully funding the project with Discretionary Grants from the FAA, and most recently an offer from the Transportation Security Administration (TSA) to fund costs associated with our in-line baggage system. The assistance we have received from ND Aeronautics Commission is not uncommon, in fact, all airports in the state receive equal treatment in coordinating their funding needs with the local, regional and Washington levels of FAA and TSA to make their projects possible. The Aeronautics Commission plays a key role in the Capital Improvement Planning and Prioritizing that is necessary to accomplish these multi-million-dollar improvement projects at the state's airports every year, this effort has been especially helpful for the Bismarck Airport. If you would like to see an update on the progress of the Bismarck Terminal, go to www.bismarck.org, in the upper left hand corner select the Airport Department and then click on the visual tour.

The State's airports also receive grant funds directly from the Aeronautics Commission that help greatly to match the federal funding secured for improvements at these Airports. 50/50 maintenance grants for crack sealing, seal coating, etc. go a long way towards keeping up and maintaining the infrastructure that is already in place at North Dakota's Airports.

This system of support is what helps keep all of the airports up and running for use by the citizens of North Dakota.

The NDAC also takes the lead role in:

- Aviation Security Matters
- Airline Issues
- Air Service Studies
- Economic Impact Studies
- Administering the Pavement Maintenance Programs
- Airport Directories, and much more.

Gary and his staff are always willing to assist and participate in special aviation matters as well, like Bismarck's micro-jet air service study.

I appreciate their work, I support their programs and I encourage you to support passage of House Bill #2006. Thank you



Dickinson
Theodore Roosevelt
REGIONAL AIRPORT

11168 42 St SW • Dickinson, ND 58601
Phone: 701-483-1062 • Fax: 701-483-1072
dickinsonairport@ndsupernet.com • www.dickinsonairport.com

January 25, 2005

Dear Sir or Madam:

Thank you for considering this written testimony on behalf of the Dickinson Municipal Airport Authority and in support of the budget before you for the North Dakota Aeronautics Commission (NDAC). Airports in North Dakota the size of Dickinson and smaller could not survive without the assistance of the NDAC. The NDAC's body of knowledge pertaining to aviation is crucial to small airport operators without the staff that is necessary to run and maintain an airport.

In the past year alone, the NDAC has assisted Dickinson with the following projects:

- NDAC provided staff that became a key player on the Small Community Air Service Development Task Force which determined the most beneficial way for Dickinson to spend its \$800,000 air service grant.
- NDAC staff assisted with federal and state grants for essential airport capital improvements. These projects would not have been completed without the NDAC staff knowledge of the federal grant process. The NDAC's guidance has ensured fair dispersion of both state and federal grants while attending to emergency capital projects that might arise.
- Assistance in securing air service to Dickinson. The NDAC staff has been instrumental in helping to ensure that Dickinson continues to receive adequate air service that meets the needs of the community. As you know, air service is critical to economic development in communities similar to Dickinson.
- NDAC executive director made a presentation to community leaders reminding them of the importance of an airport to the community.

In addition to local projects, the following statewide projects have been of great assistance:

- North Dakota Airport Directory and Aeronautical Chart - Both are in high demand by pilots in the state.
- Monthly airport manager meetings to address airport issues across the state.
- Statewide airport pavement condition study which is required to received federal capital improvement grants.

January 26, 2005

The NDAC also assists the North Dakota Aviation Council (Council) with the annual Upper Midwest Aviation Symposium. This symposium is the single largest aviation event in ND. This event promotes aviation for those who are not already involved and provides continuing education to those with experience in aviation.

Please consider funding the NDAC's budget at the requested amount so they can continue to provide vital support to aviation in ND.

Sincerely,

Charity Speich
Airport Manager

HB 2006

North Dakota Aeronautics Commission - 412.0

House Appropriations Committee

Rep. Ken Svedjan, Chairman

Government Operations Division

Rep. Ron Carlisle, Chairman

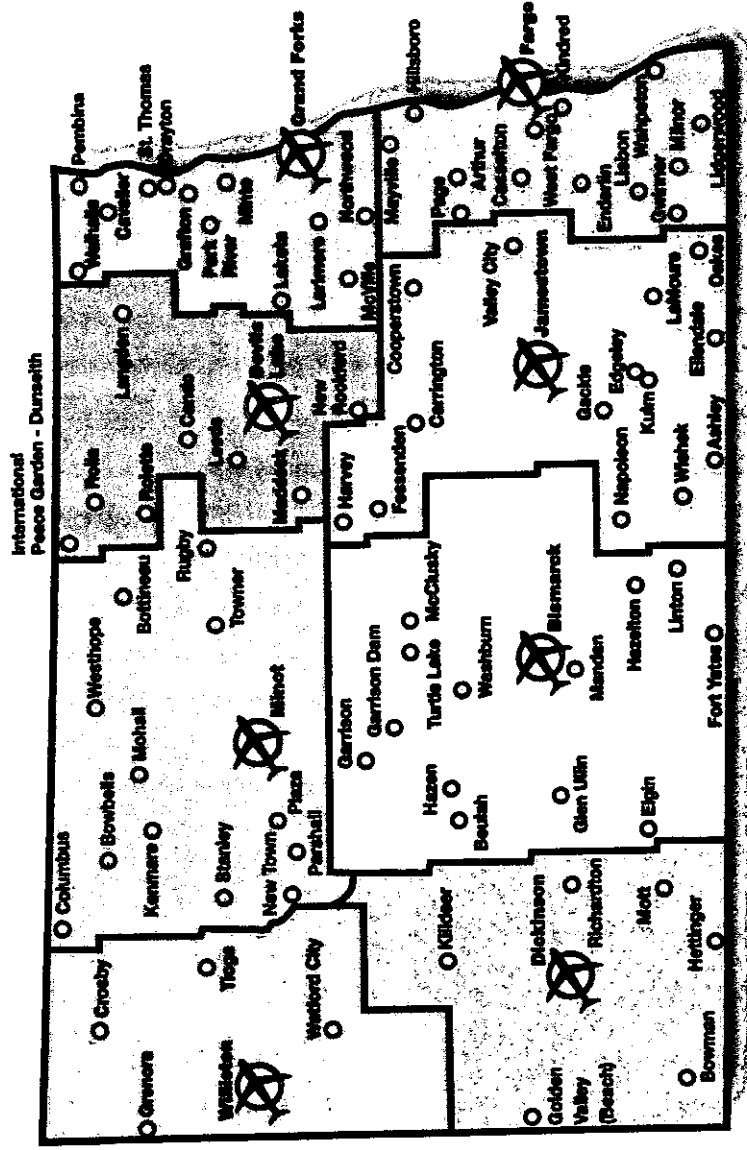
Rep. Mike Timm, Vice Chairman

March 2, 2005

*with exception of these pages
same testimony given to the
House*

Greetings: The Aeronautics Commission's budget is presented as Budget 412 - Senate Bill 2006.

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90 TOTAL AIRPORTS =

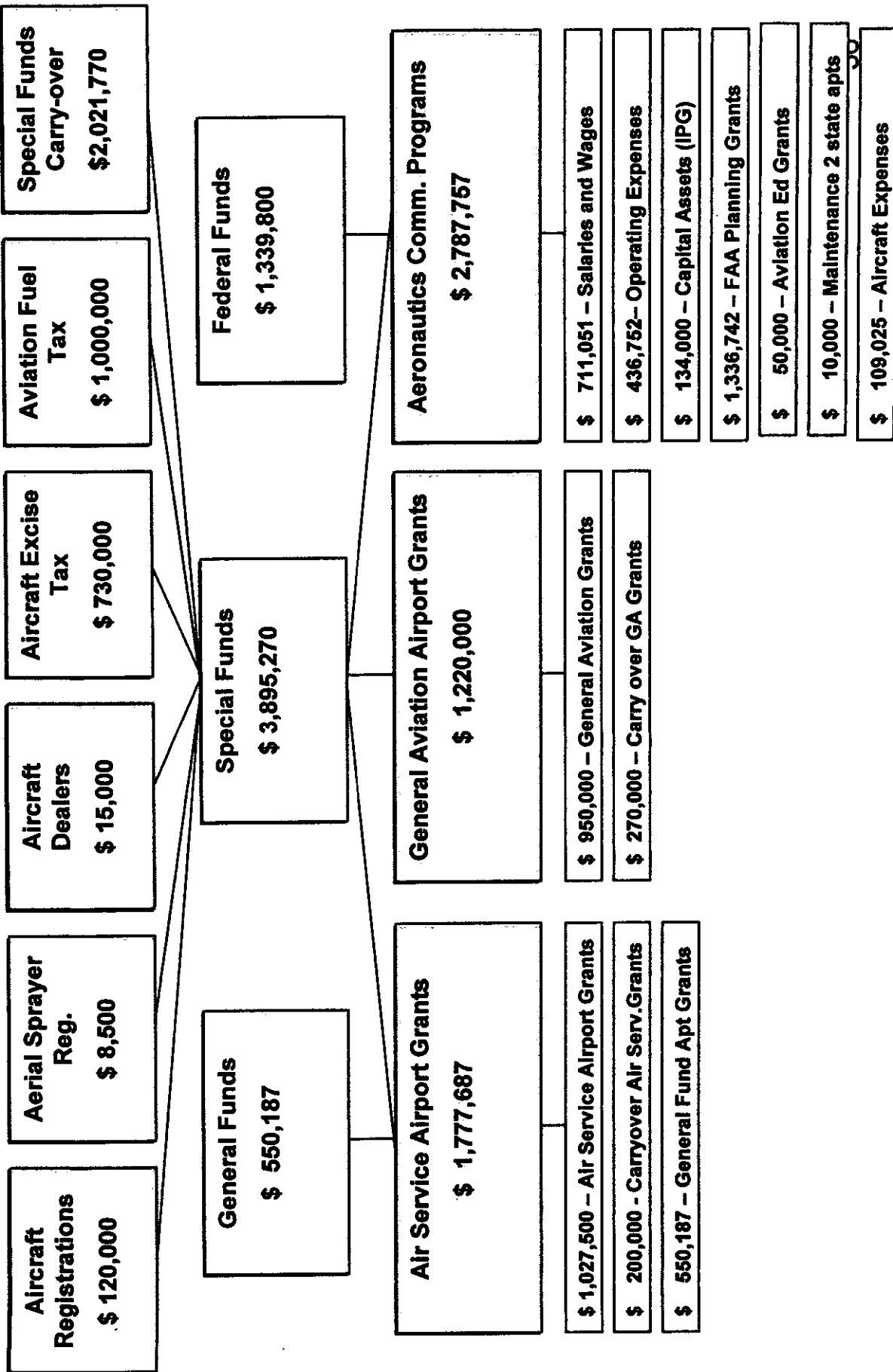


Air Carrier Service Airport (8)

General Aviation Facility (82)

North Dakota Aeronautics Commission 2005 - 2007 Proposed Budget

\$ 5,785,257



SB-2006- ND Aeronautics Commission
House Appropriations Committee
Rep. Ken Svedjan, Chairman
Government Operations Division – (House Conference Room)
Rep. Ron Carlisle, Chairman
Rep. Mike Timm, Vice Chairman

March 2, 2005

Handout #1
H. App. G. O.
Wed. 3/2/05
SB 2006

Chairman Carlisle and Committee members, I'm Gary R. Ness, Director of the Aeronautics Commission. I stand before you with budget bill SB-2006.

I intend to report on the position of the agency, how we have progressed with the present funding as well as what is planned for the future. During this testimony I will refer, for your information, to the page numbers in the packet before you.

Several years ago the Commission developed Vision and Mission Statements. These statements are found on page 2.

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Dianne Herr, Turtle Lake
Maurice Cook, Bismarck

"When you build a mile of road you travel one mile. When you build a mile of runway you open the world to your travel."

I thank you and stand ready for comments or questions.

**Senate Appropriations Bill 2006
North Dakota Aeronautics Commission**

*Same
given to
House*

Kadrmass, Lee & Jackson, Inc. wishes to acknowledge the many substantial improvements to aviation that have come about through the efforts of the North Dakota Aeronautics Commission. We have first hand knowledge of these improvements.

Small Community Air Service Development Program: Both Dickinson and Bismarck have received grants. Dickinson has completed a marketing study and is implementing several measures, and has received a third daily flight on its route with Williston. Bismarck is anticipating the implementation of a new form of point-to-point air service with all other communities in the state and region. Through other efforts, Devils Lake and Jamestown are now served by Northwest Airlines under essential air service.

Master Planning: Improvements in air service have spurred the need for significant upgrades in airfield and terminal facilities. Master plans were recently completed for the regional airports of Williston, Devils Lake, Dickinson and Jamestown. Nearly \$15 million in improvements for terminal and runway upgrades are underway. Both Devils Lake and Williston will complete new terminals this year. New runways are planned for Jamestown, Devils Lake and Williston. All runways are now being planned to take advantage of the latest global positioning system (GPS) technology.

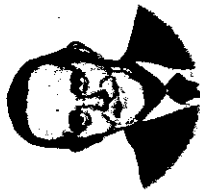
Part 139 Airport Certification: Air carrier airports are now required to meet FAA standards for one level of safety for passengers. All the larger, previously certified airports in the state were required to update certification manuals. The regional airports are underway with newly implementing Part 139 requirements, including for example, preparing certification manuals, conducting emergency exercises, purchasing aircraft rescue and firefighting trucks, and constructing support buildings.

Pavement Maintenance: Inspection of pavements at all airports in the state is now underway. We are working on this project in association with the Upper Great Plains Transportation Institute. We are using the DOT's Pathway Systems van to electronically record images and other scientific measurements of the pavements. This information will be used to create pavement maintenance programs that will maximize the longevity of our runways and other paved surfaces at airports.

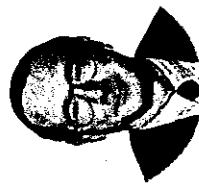
Kadrmass, Lee & Jackson, Inc. supports Senate Appropriations Bill 2006 that increases funding for all airports in North Dakota.

Kadrmass, Lee & Jackson, Inc.

ND AERONAUTICS COMMISSION MEMBERS



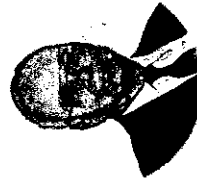
Robert J. Miller, *Chairman*, Casselton.
After 30 years of airline service, Bob retired as Captain with Northwest Airlines. He is a real estate business owner, chairman/manager of the Casselton Airport and active in economic development in the Casselton area. He is a former Air Force pilot and aerial agricultural applicator. He has been flying 35+ years and has served on the Commission since 1985.



Jay B. Lindquist, *Vice-Chairman*, Hertinger.
President of Air Dakota Flite, a full-service, fixed-base operator (FBO). J.B. has a strong aerial applicator background. He has been a Certified Flight Instructor for 40 years and has served as the manager of the Hertinger Airport for many years. His other interests are in banking, retail and farming. He has been flying 45+ years and has been a member of the Commission since 1993.



Cindy Schreiber-Beck, *Secretary*, Wahpeton.
Currently serving as the Executive Director of the North Dakota Agriculture Aviation Association (NDAAA). Cindy is an educator involved at the state and national level with aviation and aerospace programs. Cindy is active in Tri-State Aviation, which is involved in aviation facets including parts fabrication, war bird restoration and general mechanical services. She is active in the Wahpeton business and education community and has served on the Commission since 1997.



Maurice E. Cook, *Member*, Bismarck.
A practicing lawyer, who has since 1980, limited his practice to serving as bond counsel. He is a current multi-engine rated pilot. He served four years as Commander of the North Dakota Wing of the Civil Air Patrol and ten years at Civil Air Patrol's National Legal Office. Maurice began flying in Hertinger in 1952. He has served on the Commission since 1999.



Dianne L. Herr, *Member*, Turtle Lake.
This US Postmaster is an active private pilot. She has served as President of the ND Chapter of the 99's, is a member of the North Dakota Pilot's Association and EAA. Diane is very active in community affairs, participates in the Young Eagle program and NDPA activities. She organizes a very well attended fly-in at the Turtle Lake airport each year. Diane has served on the Commission since 1998.

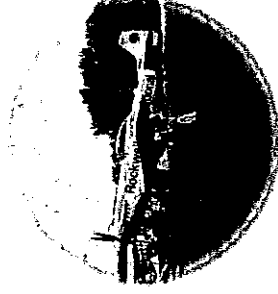
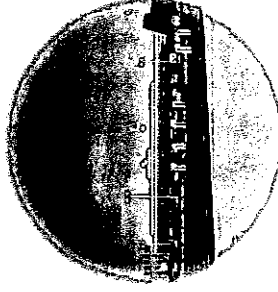
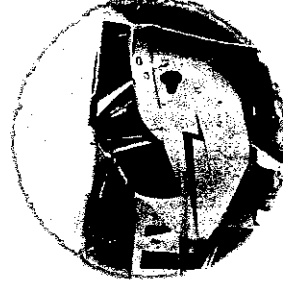
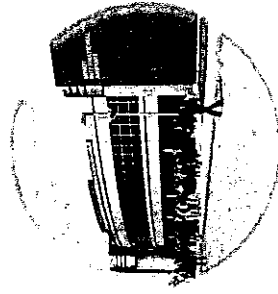
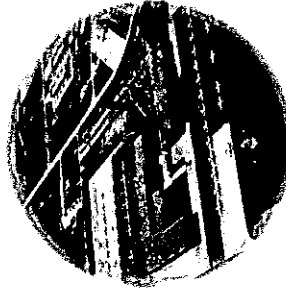
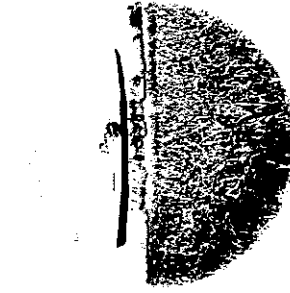
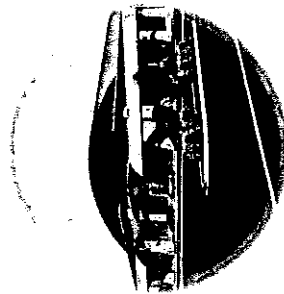
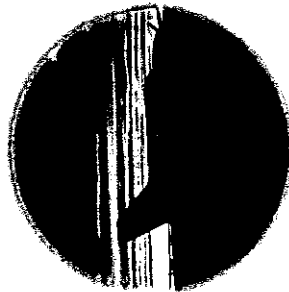
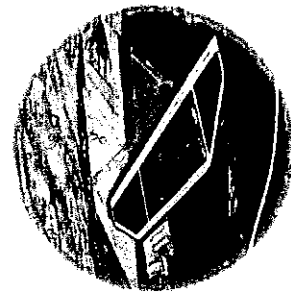
... a commission that
represents aviation safety
and industry promotion.



NORTH DAKOTA

AERONAUTICS COMMISSION

... a statewide voice for aviation



AGENCY HISTORY:

The North Dakota Aeronautics Commission was established in 1947 by the State Legislature assigning responsibility for the state aviation functions. The Governor appoints the five members of the Aeronautics Commission to the board for terms in office of five years. The Commission staff is composed of the Executive Director and a support staff of four. Office location is at the General Aviation Pilot Terminal on the Bismarck Municipal Airport, Bismarck.

AGENCY VISION:

To encourage an unencumbered business climate and to foster a positive evolution of the industry.

AGENCY MISSION:

To provide as the highest priority, economic and technical assistance to insure an orderly and cost-effective support system that enables the advancement of the state's aviation system.

AGENCY PHILOSOPHY:

The state aviation system is an attractive front door to our state's economic growth. To ensure this growth, the system needs continual enhancement with state-of-the-art technology. With this goal, continued flexibility and responsiveness by the Aeronautics Commission will fulfill the needs of the aviation community. Continued close communication with the national scene through congressional offices, Federal Aviation Administration, and other national aviation associations is necessary. Continuing to coordinate with the state's Governor and legislature for the state's aviation community through the North Dakota Aviation Council and its affiliated members is of the utmost importance. These lines of communication will retain and strengthen the positive direction and efforts of the Aeronautics Commission into the future.

The Aeronautics Commission celebrated its 50th birthday in July 1997. In 1947, the state had 59 municipal airports and 121 grass strips. Today, we have 90 municipal airports and 220+ private grass air strips.

**For assistance in your aviation projects,
please contact**

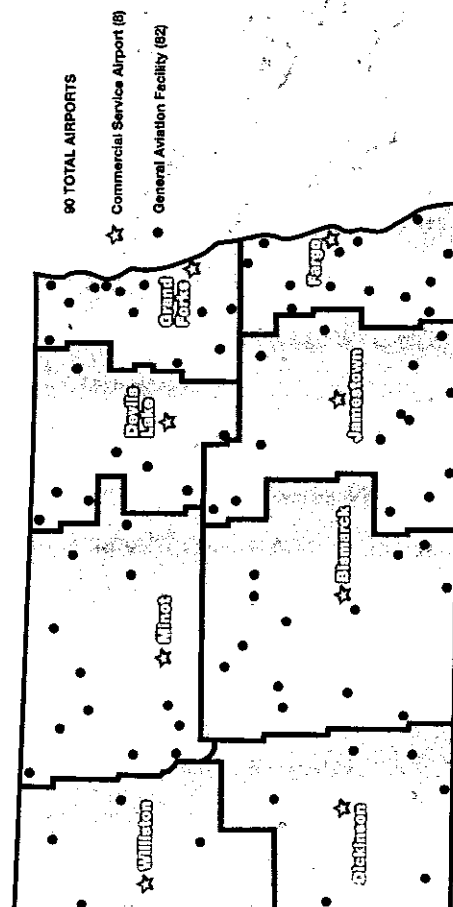
Gary R. Ness, Executive Director
North Dakota Aeronautics Commission
2501 University Drive, Bldg. 1652-22
P.O. Box 6020
Bismarck, ND 58502-5020
Phone: (701) 328-9650 • Fax: (701) 328-9656
ndaeo@state.nd.us
www.state.nd.us/ndaeo/

COMMISSION ACTIVITIES INCLUDE:

- Promote competitive scheduled airline and cargo air service.
- Continue to provide a computerized satellite weather reporting system to the aviation community.
- Sponsor legislation to provide grants for airport improvements and educational programs.
- Continue partnership with aviation interests within the state through the North Dakota Aviation Council.
- Continue to communicate the state's required services and needs at the federal level.
- Continue the effort of planning to insure the viability of the State Airport System Plan.
- Publish the state airport directory and aeronautical chart to facilitate flight planning and safety.

AVIATION FACTS ABOUT NORTH DAKOTA:

- 8,818 jobs are attributed to aviation activity in North Dakota.
- \$681 million of economic activity created each year by North Dakota airports.
- 1.1 million passengers traveled to and from ND airports.
- 135 tons of air freight are flown at North Dakota airports annually.
- 4 million acres are sprayed annually by 168 aerial spray companies.
- 2,472 Pilots hold FAA certificates in North Dakota.
- 1,600 FAA Certified Aircraft are based in North Dakota.
- 90 public use airports have 56 aviation businesses located at them.
- 220 privately owned/private-use landing areas.
- 8 North Dakota communities have scheduled airline service: Bismarck, Dickinson, Devils Lake, Fargo, Grand Forks, Jamestown, Minot and Williston for 50 daily departures.



United We Stand



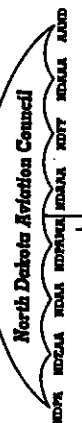
North Dakota Aviation Council

The North Dakota Aviation Council was founded in 1983 by six state aviation associations interested in promoting aviation within the state and presenting their concerns before the general public as well as state and federal government. The Council was founded with the notion that solutions to problems facing aviation in the state can be best served by consolidating and working together rather than struggling as independent special interest groups.

The North Dakota Aviation Council seeks to serve aviation professionals; pilots, agricultural operators, airport management, FBO's, mechanics, educators and historians - by providing a forum for the exchange of information, ideas and experience. Advancing membership goals is an important function of the "Upper Midwest Aviation Symposium." The organization has grown from the charter members of six to eight associations today. The Symposium is the yearly gathering of eagles.

Over the years the Aviation Council has become an influential voice for the aviation industry and the flying public. By combining talents and resources, the industry is set to explore answers to today's most pressing issues and to acknowledge the exciting challenges of tomorrow.

THE UMBRELLA OF STRENGTH



THE UPPER MIDWEST AVIATION SYMPOSIUM

Organizational Make Up

North Dakota Aviation Council

NDAA
North Dakota Aviation Association

NDPAMA
North Dakota Professional
Aviation Mechanics Association

AAND
Airport Association of North Dakota

NDFF
North Dakota Flying Farmers

NDAAA
North Dakota Agricultural
Aviation Association

NDPAA
North Dakota Pilots Association

NDEAA
North Dakota Experimental
Aviation Association

NDAAM
North Dakota Association of
Aviation Museums

NDAA - The oldest association of the Council, this is an organization of businesses providing aircraft services from a single base (public use airports) offering aircraft fuel, repairs and air-charter service. This group also includes commercial and corporate pilots who serve the medical and business community of North Dakota with professional pilot service.

NDPAMA - An organized group of aviation maintenance personnel dedicated to the enhancement of professionalism and recognition of the aviation maintenance technician through education, interaction and representation for continuous improvement in aviation safety.

AAND - An organization of airport managers, airport authority boards, and airport city council representatives who together act as one voice for airport development. AAND's mission is to expand the knowledge of the state's citizens to better understand the airport role within the community.

NDFF - Flying Farmers are people from all walks of life who love flying. The activities include but are not limited to both international and domestic tours promoting aviation as a means of communication and knowledge exchange. Flying Farmers share the fellowship of family and neighbors. The group's heritage of the land gives them a special attachment to the earth over which they fly. The International Flying Farmers affiliation gives this group a unique connection for the Council.

The Upper Midwest Aviation Symposium

A Gathering of the Aviation Industry of the
state of North Dakota

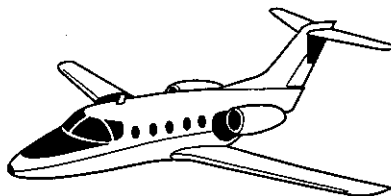
Activities

- Organization Workshops
- Classroom Educational Opportunities
- Panel Discussions
- General Sessions
- Organizational Business Meeting
- Organizational Policy Discussions
- National Organization
Leadership Presentations
- State / Federal Aviation Administration
Informational Exchange

Benefits

- New Technology Introductions
- Latest and Newest Trends
- Current Legislative
Informational Meetings
- Interaction with Industry Leaders
- Career Opportunity Counseling

The Upper Midwest Aviation Symposium is held each year in early March. It is held in a facility and community that is well suited for the industry. The function is to meet the council's needs and comfortably exchange knowledge in an atmosphere of coordination and cooperation. The main goal is to advance industry education with an eye toward the state's economy and future support of an expanding business community.



Check out the Council Web-site at:
www.ndac.aero

For further information on the
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