

TO: AIRPORT COMMISSION

FROM: Matthew Kazmierczak
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SUBJECT: Legislative Update

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FEDERAL

American Rescue Plan Act of 2021

President Biden signed the American Rescue Plan Act of 2021, H.R. 1319, on March 11, 2021, which is the latest coronavirus relief and economic stimulus bill. This bill was based on President Biden's "American Rescue Plan," which was highlighted in my previous memorandum to the Airport Commission.

The American Rescue Plan legislation is focused on:

- Pandemic Response
- Direct Support to Households
- Health Care
- Economic Support
- Community Agencies/Organizations Support

Aviation related elements in this legislation include:

Airport Funding: The bill includes \$8 billion to help airports and concessionaires "prevent, prepare for, and respond to coronavirus."

Primary Airports: Of that amount, \$6.492 billion would be reserved for primary airports and certain cargo airports to use for "costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments." The federal share would be 100 percent.

Non-Primary Commercial Service/General Aviation Airports: The bill includes \$100 million for nonprimary commercial service and general aviation airports with a 100 percent federal share.

Concessionaries: The measure also provides primary airports \$800 million "to provide relief from rents and minimum annual guarantees to airport concessions." Of that amount, \$640 million would be reserved for "small" airport concessions and \$160 million for "large" airport concessions.

Federal Share for AIP Grants: The bill includes \$608 million to pay "a Federal share of 100 percent of the costs for any grant awarded in fiscal year 2021, or in fiscal year 2020 with less than 100 percent federal share."

Workforce Retention: As a condition of receiving funds in the bill an airport is required to “employ, through September 30, 2021, at least 90 percent of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) by the airport as of March 27, 2020.”

Payroll Support Program: The American Rescue Plan would extend the Payroll Support Program for the airline industry. Specifically, the bill includes \$14 billion to extend the PSP through September 30 for airline workers and another \$1 billion for contractors.

Infrastructure Plan – The American Jobs Plan

President Biden proposed the American Jobs Plan, a \$2.3 trillion infrastructure proposal, that includes \$25 billion for the nation’s aviation system. In general, the Plan calls for \$571 billion in proposed funding for transportation infrastructure and another \$50 billion to improve infrastructure resilience.

A top-level [summary page](#) released by the White House proposes to allocate:

- \$10 billion toward the Airport Improvement Program,
- \$10 billion would be designated for “airport terminal renovation grants,” and
- \$5 billion is proposed for “FAA National Airspace System Facilities.”

This plan is similar to H.R. 2, the infrastructure bill that House Democrats passed last year on a party-line vote. That bill called for increasing AIP funding from \$3.35 billion to \$4 billion annually over five years – a \$3.25 billion total gain. It also proposed to provide airports with between \$3 billion and \$4 billion annually for supplemental grants during the same timeframe for another \$17.5 billion. Total airport funding proposed in H.R. 2 would have been \$20.75 billion above current AIP authorization levels compared to \$25 billion in the White House infrastructure plan.

On April 22, 2021, a group of Senate Republicans released their infrastructure proposal, which totals \$569 billion over five years, focused on roads and bridges; public transit systems; rail; safety; drinking water and wastewater infrastructure; inland waterways and ports; airports; broadband infrastructure; and water storage. For airports, the proposal calls for \$44 billion in programs administered by the Federal Aviation Administration (FAA), which equates to \$27 billion in new funding beyond authorized AIP funding over the next five years. The \$44 billion figure is consistent with AIP-eligible airport infrastructure needs identified in the most recent FAA National Plan of Integrated Airport Systems (NPIAS). The proposal avoids details on how it would be paid for, including whether an increase in the Passenger Facility Charge (PFC) is in consideration; however, it does state that it will “ensure that all users of certain types of infrastructure are contributing to the generation of revenue.”

REAL ID

On April 27, 2021, the U.S. Department of Homeland Security announced that the full enforcement date for REAL ID will be extended from October 1, 2021 to May 3, 2023, due to circumstances resulting from the ongoing COVID-19 pandemic. In a [press release announcing the extension](#), DHS states that the pandemic has significantly impacted states’ ability to issue REAL ID-compliant driver’s licenses and identification cards, with many driver’s licensing agencies still operating at limited capacity.

PFAS

The U.S. Environmental Protection Agency (EPA) issued a [memorandum](#) establishing an “EPA Council on PFAS” (ECP) to help the agency to strategize the best way to use the agency’s authorities, expertise and partnerships to mitigate and reduce the effects from PFAS and protect public health and the environment. The newly formed ECP has been directed to develop the agency’s multi-year strategy for addressing PFAS-related concerns and prepare initial recommendations for the Administrator within 100 days of its establishment.

STATE

The California State Legislature continues to introduce and amend numerous bills. We are currently monitoring a wide assortment of bills that cover the environment (air, water, climate adaptation, pollution, etc.), governance, labor, technology, recycling, tourism, the pandemic, and land use. We will continue to monitor the legislation to see which bills of interest are likely to move forward. At this time, the state continues to be focused on addressing the economic and social impacts of the coronavirus pandemic.