



## **Economic Impact Analysis Virginia Department of Planning and Budget**

---

**24 VAC 5-20 – Regulations Governing the Licensing and Operation of Airports and Aircraft and Obstructions to Airspace in the Commonwealth of Virginia**  
**Department of Aviation**  
February 24, 2012

---

### **Summary of the Proposed Amendments to Regulation**

The Board of Aviation (Board) proposes to amend these regulations in order to implement a more structured, efficient process of consistently addressing non-compliant airport licensure conditions and their inherent safety concerns, so that airports can retain their public-use licenses instead of having their licenses revoked. More specifically, the Board proposes to: 1) amend obstruction requirements so that they can be feasibly met by public-use airports 2), create a "Day/Visual Flight Rules (VFR) Use Only" license for those airports that would still have non-compliant conditions under the proposed regulations, 3) allow the conditional license process to be initiated any time non-compliant conditions are identified, and 4) make other amendments for clarification and improved communication.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

Section 5.1-7 of the *Code of Virginia* requires that any airport operated as a public-use facility must be licensed by the Virginia Department of Aviation (DOAV); presently there are 64 public-use airports in the Commonwealth that meet the statutory requirement. Of those airports, 26 airports do not meet current state minimum licensing requirements set forth in 24 VAC 5-20-140 and have been issued conditional licenses in accordance with §5.1-7 of the *Code of Virginia* and 24 VAC 5-20-275. Many of the 26 airports have received multiple conditional licenses as the non-compliant conditions are not being addressed. As the conditional licenses expire, DOAV

staff must continually repeat the agency's licensing process, which includes on-site inspections, resulting in an inefficient use of agency resources.

The majority of non-compliant conditions are caused by natural growth obstructions in safety areas. DOAV provides technical and funding assistance to airport sponsors for obstruction removal, whether the obstruction was identified through the licensing process or other inspection processes. The funding ratio for obstruction removal projects is 80 percent state participation and 20 percent local participation.

In spite of this assistance and the temporary status of conditional licenses, non-compliant conditions continue to exist on or at public-use airports. The Virginia Aviation Board and DOAV want to implement a more structured, efficient process of consistently addressing non-compliant conditions and their inherent safety concerns, so that airports can retain their public-use licenses instead of having their licenses revoked in accordance with §5.1-7 of the *Code of Virginia* and 24 VAC 5-20-280. State funding for mitigation plans, obstruction removal, and other compliance related safety projects is available to public-use airport sponsors, whether public or private.

If a public-use airport license is revoked, the airport would be removed from the statewide air transportation system, and the airport sponsor would face the option of operating the facility as a private-use airport or closing the airport. The sponsor would no longer be eligible to receive any funding from DOAV. In addition, a sponsor of an airport facility no longer operating as a public-use airport would be required to reimburse the Commonwealth, on a pro-rata basis, for all outstanding financial obligations awarded through DOAV.

Many of the airports with existing non-compliant conditions would meet the proposed minimum requirements for airport licensing and would not be placed under conditional airport licenses. Over time, the number of airports no longer meeting the requirements would lessen. Of those airports that would still have non-compliant conditions under the proposed regulations, the scope of the work and associated costs required for these airports to work toward full compliance would be reduced as the requirements are less restrictive. The Board proposes to create a "Day/Visual Flight Rules (VFR) Use Only" license, a conditional license that allows restricted operations at an airport, for those airports that have yet to become fully compliant, thereby keeping the airport in the system and open to the public, but on a limited basis during daylight hours only.

Currently, license inspections are conducted every seven years, and the identification of non-compliant conditions during those inspections initiates the conditional license process. The Board proposes to allow the conditional license process to be initiated any time non-compliant conditions are identified. Earlier intervention will reduce the extent of the non-compliant conditions that must be addressed, especially those caused by natural growth, which in turn will reduce the costs to meet and maintain compliance with the regulations.

### **Businesses and Entities Affected**

The proposed amendments affect the 64 public-use airports in the Commonwealth, 9 of which are owned by small businesses.

### **Localities Particularly Affected**

The localities particularly affected by this action are those that own public-use airports, either independently or through participation in an authority or commission.

### **Projected Impact on Employment**

The proposed amendments are unlikely to significantly affect employment.

### **Effects on the Use and Value of Private Property**

The proposed amendments are likely to make it easier for the 10 privately owned public-use airports to comply with requirements for full licensure.

### **Small Businesses: Costs and Other Effects**

The proposed amendments will likely reduce obstruction removal costs for the 9 public-use airports that are owned by small businesses.

### **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments do not adversely affect small businesses.

### **Real Estate Development Costs**

The proposed amendments will likely reduce obstruction removal costs in developing airport property.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.