

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Ypsilanti, Michigan
May 23, 2018

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, commissioners of the Michigan Aeronautics Commission met at the Yankee Air Museum located on Willow Run Airport in Van Buren Township, on Wednesday, May 23, 2018.

Members Present

J. David VanderVeen, Chairman
Russ Kavalhuna, Commissioner
Capt. Joe Gasper, Designee – MSP
Kevin Jacobs, Designee – MDNR
Maj. Gen. Len Isabelle, Designee – MDMVA
Dave Wresinski, Alternate Designee – MDOT
Jim Shell, Legal Counsel
Mike Trout, Director
Bryan Budds, Commission Advisor
Judy Baker, Commission Analyst

Members Absent

Pete Kamarainen, Vice Chairman
Rick Fiddler, Commissioner
Roger Salo, Commissioner

Staff Present

Kelly Badra
Dave Baker
Hilary Hoose
Brigitte Pricco
Linn Smith

Also Present

Dean G. Greenblatt, Past MAC Commissioner
Elisa Guyton, Michigan Aerospace Foundation
Joe Hass
Jason Heywood, DroneView Technologies
Mark Johnson, Livingston Co.-Spencer J. Hardy Airport
Kyle Lewis, Aircraft Owners and Pilots Association
Joe Medici, Bishop International Airport
Keith Newell
Dennis Norton, Yankee Air Museum
Mike Pelzer, Pegasus Parachuting Services
Dillon Putrus, C&S Companies
Sarah Underwood, C&S Companies
Steve Valley
Kevin Walsh, Yankee Air Museum
Craig Williams, Bishop International Airport
Juan Zapata, Jackson County – Reynolds Field



I. WELCOME

Prior to the official call to order, Director Mike Trout introduced Yankee Air Museum's Kevin Walsh, Executive Director and Dennis Norton, Founder, and thanked both for hosting the Michigan Aeronautics Commission (Commission) meeting.

Mr. Walsh and Mr. Norton welcomed everyone and expressed their appreciation to the Commission for conducting its meeting at the Yankee Air Museum. Both spoke on the history of the museum and fundraising campaign for the historic Willow Run Bomber Plant to become the new home of the Yankee Air Museum.

Chairman J. David VanderVeen thanked Mr. Walsh and Mr. Norton for their comments. He then presented them with a special recognition presented to the Yankee Air Museum for preserving Michigan aviation history. Both expressed their appreciation and thanked the Commission for the honor.

OPENING REMARKS

The May 23, 2018 Commission meeting was called to order by Chairman VanderVeen at 10:10 a.m. He welcomed all those present and asked everyone to rise, and the Pledge of Allegiance was cited. Roll call was taken.

II. COMISSION BUSINESS

A. Chairman VanderVeen asked if there were any revisions to the minutes of the meeting held on March 28, 2018. There were none. He entertained a motion to approve the minutes. The motion was moved by Commissioner Russ Kavalhuna and seconded by Commissioner Len Isabelle to approve the minutes as presented. **All voted in favor.**

B. Dave Baker presented the Airport Sponsor Contracts.

1. Padgham Field, Allegan
2. W. K. Kellogg Airport, Battle Creek
3. W. K. Kellogg Airport, Battle Creek
4. Bois Blanc Island Airport, Bois Blanc Island
5. Cheboygan County Airport, Cheboygan
6. Grand Haven Memorial Airpark, Grand Haven
7. Grand Haven Memorial Airpark, Grand Haven
8. Grand Haven Memorial Airpark, Grand Haven
9. Grand Haven Memorial Airpark, Grand Haven
10. Grand Haven Memorial Airpark, Grand Haven
11. Hastings City/Barry County Airport, Hastings
12. Lakeview Airport-Griffith Field, Lakeview
13. DuPont – Lapeer Airport, Lapeer
14. Manistee County – Blacker, Manistee
15. Mason Jewett Field, Mason
16. Menominee-Marinette Twin County, Menominee
17. Oscoda County Dennis Kauffman Memorial Airport, Mio
18. Oakland County International Airport, Pontiac
19. Sault Ste. Marie Municipal Airport-Sanderson Field, Sault Ste. Marie



Chairman VanderVeen asked if there were any further comments or questions. Hearing none, he entertained a motion to approve item Nos. 1 – 19 of the airport sponsor contracts. The motion was moved by Commissioner Kavalhuna and seconded by Commissioner Isabelle to approve the contracts as presented. **All voted in favor.**

(Due to a potential conflict of interest, Chairman VanderVeen abstained from voting on airport sponsor contract No. 18, Oakland County International Airport, Pontiac.)

A complete list of contract descriptions can be viewed on the Michigan Aeronautics Commission web page under “Meetings” and then “Contract Approvals” at www.michigan.gov/aero.

- C. Linn Smith presented the Tall Structure Permit Fee proposal. The Michigan Tall Structure Act (Act 259 of 1959, as amended by Act 28 of 2016) was adopted to promote the safety, welfare, and protection of persons and property in the air and on the ground by regulating the height, location, and visual and aural identification characteristics of certain structures. The act places authority for review of construction proposals, which may affect Michigan airspace, with the Commission. The Commission has delegated its authority for airspace reviews and approvals to MDOT Office of Aeronautics. Permit fees were established to cover the cost of administering the program. A rapid increase in the number of permit applications has necessitated additional staff support. Therefore, a proposed modification to the fee schedule is stated below for Commission consideration and adoption.

Structure Height	Current Fee	Proposed Fee	Proposed Project Cap Fee**
Less than 50'	\$100	\$150	\$1,000
50' – 199'	\$150	\$250	\$2,000
200' – 499'	\$200	\$300	\$5,000
500' or greater	\$250	\$400	\$5,000
No Permit Required	N/A	\$50	\$2,000
Total Yearly Revenue	\$50,500	\$146,550*	

*Estimating 50% of applications request a no permit required letter.

**Per Nautical Mile Radius

Chairman VanderVeen asked if there were any further comments or questions. Hearing none, he entertained a motion to adopt the proposed Tall Structure Permit Fee schedule as presented. The motion was moved by Commissioner Kavalhuna and seconded by Commissioner Isabelle. **All voted in favor.**



III. REPORTS

A. MAC Director Report

Director Trout provided the following information:

Statistics

Director Trout reported on the following:

- Fuel Tax Revenue
 - Excise (3¢) FY to Date (Oct. – March)
2018 = \$3,062,802
2017 = \$3,028,086
(1.15% increase)
 - Sales (2%) FY to Date Received
11/17 = \$1,745,428
(SAF 35% - \$610,899/QAF 65% - \$1,134,529)
1/18 = \$904,390
(SAF 35% - \$316,536/QAF 65% - \$587,854)
4/18 = \$2,015,587
(SAF 35% - \$705,550/QAF 65% - 1,310,307)

Note: SAF = State Aeronautics Fund – \$1,632,985 Total
QAF = Qualified Airport Fund – \$3,032,690 Total

- Contract Closeouts FYTD
 - 21 Primary Airport Grants
 - 35 State Block Sub Grants
 - 1 State Block Grant
 - 10 State/Local Grants
- Tall Structure Permits
 - 2018 = 2,042 (277 wind turbines) Year Total
 - 2017 = 4,497 (369 wind turbines) Year Total
- State Aircraft Flight Hours – FY (Oct. – April)
 - 2018 = 453.9
 - 2017 = 458.2

Updates

- State Legislation
 - SB 917 through 922 – A package of six bills was introduced on March 21, 2018, that would regulate unmanned aircraft systems (UAS) or drones. The legislation is based on recommendations from the UAS Task Force and would mostly amend the Unmanned Aircraft Systems Act, which was passed in 2016. A similar package of five UAS bills (HB 5494 through 5498) passed the House on March 23, 2018. Bills remain in the Senate.



- HB 4350/4351 – Two bills would exempt aircraft parts for repairs and maintenance from sales and use tax. Both bills were passed by the House on May 25, 2017 and remain in the Senate.
 - SB 626/627 – Two bills involving seaplane operation that would change state law to allow MDOT to regulate the use of inland waters by aircraft; would exclude application of the Natural Resources and Environmental Protection Act to aircraft regulated by the Michigan Aeronautics Commission. Both bills remain in the Senate.
 - Budget Proposals – There has been an Executive, House, and Senate budget proposal submitted. Proposed changes include flight operations as a separate line in the budget to track expenditures and a reduction of current FTE positions being proposed. Elimination of a reporting requirement is also being considered.
- Federal Legislation/Funding
Congress passed a \$1.3 trillion omnibus bill to fund most federal government programs and agencies through the end of Fiscal Year 2018. The legislation provides a significant increase in funding for many highway, transit, rail, and aviation programs, including a \$1 billion increase in Airport Improvement Program funding and a \$5 million increase in Essential Air Service funding. The legislation also includes a six-month extension of FAA programs and funding, which was authorized under a short-term extension that expired on March 31, 2018. Air traffic control privatization was not part of the legislation.
- Airport Task Group – PFAS (firefighting foam)
General Isabelle and his staff have been actively engaged nationwide in the identification of PFAS contaminated sites. The Michigan Department of Environmental Quality has been working with various departments in identifying sites throughout Michigan. A survey has been distributed to all fire departments throughout the state. An advisory team from the governor’s office has engaged the Office of Aeronautics to head a subgroup of state departments and stakeholders to help identify various sites that may have been impacted.
- UAS Integration Pilot Program
Early this year, MDOT submitted its application to participate in the Federal Aviation Administration (FAA) UAS Integration Pilot Program. MDOT was not selected. The Office of Aeronautics will follow up formally with FAA to find out why they were not selected.
- Pilot Shortage
Director Trout spoke about the pilot shortage, noting accounts in various articles:
- The aviation industry continues to experience global shortages in the number of certified pilots.
 - In 20 years, an estimated 117,000 new pilots will be needed.



- The projected shortage of airline pilots in the U.S. is expected to increase over 2,000 by 2025, compared to the recorded pilot deficit of 155 in 2016.
- This affects both airlines and businesses, as well as the aircraft maintenance profession.
- Reasons for the shortage:
 - The high cost of training, students are responsible for securing their own FAA credentials. More than \$100,000 may be spent just for flight training and education.
 - A series of tragic accidents in the U.S. that resulted in Congressional action raising the minimum number of flight hours from 250 to 1,500 total hours to qualify for a first officer position.
 - Many pilots reaching retirement age over the next few years, leaving a huge gap of expertise.

Director Trout recommended and proposed that the Commission:

- Establish a task group to study and provide a report to address the pilot shortage issue, chaired by the Commission chairperson.
- Engage representatives of the aviation community, state agencies and industry representation from airlines, airport, associations and consultants.
- Provide a report to the Commission within six months that recommends what the state can do to address this problem.

After considerable discussion and based on Director Trout's recommendation, Chairman VanderVeen announced the establishment of a task group to study the pilot shortage issue, develop recommendations for action, and provide a report to the Commission within six months that recommends what the state can do to impact and address the problem. The task group will be led by Chairman VanderVeen.

Chairman VanderVeen entertained a motion for the establishment of the task group as presented. The motion was moved by Commissioner Kavalhuna and seconded by Commissioner Isabelle. **All voted in favor.**

➤ **Aeronautics Webinar**

Director Trout reported that MDOT pilot Rob Spicuzza hosted a webinar for high school students interested in careers in the aeronautics field. The webinar was hosted by Nepris, an organization devoted to connecting industry professionals to the classroom. Mr. Spicuzza discussed flying, general aircraft maintenance and fielded questions from 16 participants. This will become part of the Office of Aeronautics' outreach to those interested in becoming pilots and aircraft maintenance technicians.



Staff News

Director Trout recognized the following staff:

- Elyse Lower, new Construction Management Unit Supervisor

Coming Soon

- MAC Off-Site Meeting – July 25, Holland, MI
- Battle Creek Field of Flight Air Show – June 29 - July 4, 2018, Battle Creek, MI.
- EAA AirVenture – July 23-29, 2018, Oshkosh, WI.
- MAAE Fall Conference – Sept. 10-14, 2018, Harbor Springs, MI.
- NASAO Annual Conference – Sept. 23-25, 2018, Oklahoma City, OK.

Director Trout's report can be viewed in full on the Michigan Aeronautics Commission webpage under "Meetings" and then "Director's Reports" at www.michigan.gov/aero.

- B. General Aviation Advisory Committee – Bryan Budds briefed the Commission on behalf of Vice Chairman Pete Kamarainen.

The committee continues to look at Detroit's Coleman A. Young International Airport to see how it can help the users of the airport preserve and enhance operations.

The E-passport program continues to be discussed with the help of the Aircraft Owners and Pilots Association (AOPA). The goal is to develop an app to promote flying within the state and region. IT is being looked at and discussed, more to come.

Majority of committee discussions is the pilot shortage issue. The committee is committed to help with the newly establish task group.

- C. Commercial Air Service Advisory Committee – No Report.

- D. Safety Advisory Committee – No Report.

- E. UAS Advisory Committee – No Report.

IV. COMMISSION COMMENTS

Chairman VanderVeen announced and congratulated Commissioner Kavalhuna for his new position as president of Henry Ford College in Dearborn, effective July 2018.

V. PUBLIC COMMENTS

Chairman VanderVeen asked if anyone would like to make a public comment.

Mike Pelzer, commercial air pilot, volunteered to be part of the task group.

Joe Hass stated that comments to the GA Committee from Western Michigan University College of Aviation's Rob Bunday regarding the pilot shortage are very insightful. He also questioned whether 529 college savings plan funds could be used for flight training, as he



understood those funds are not available for flight training. More research and information to come on this.

Steve Valley from Canton commented on the pilot shortage and suggested policies that would encourage greater pilot productivity, for example institute a traffic control schedule where airlines would be encouraged to use larger airplanes and fewer flights.

Craig Williams, Bishop International Airport, suggested for future discussion and study an idea for state incentive to support air service where funds would be available through small community grants to support and improve routes in keeping airports competitive.

Kyle Lewis, AOPA, commented not only is the pilot shortage an airline pilot shortage, but also a general aviation/recreational pilot shortage and asked that this be something the task group look at as well. Mr. Lewis offered AOPA's resources to serve on the task group.

CLOSING

The next Michigan Aeronautics Commission meeting is scheduled for Wednesday, July 25, 2018, planned tentatively for in Holland, Michigan.

The meeting was adjourned at 11:00 a.m.

(approved/signed, original on file)

J. David VanderVeen, Chairman

(approved/signed, original on file)

Michael G. Trout, Director

Dated: July 25, 2018

