



STATEMENT OF EXPLANATION
Resolution No. 9-17

**RESOLUTION TO SUPPORT CONTINUED FEDERAL FUNDING OF THE
ESSENTIAL AIR SERVICE PROGRAM**

1 Passage of this resolution will state formal opposition to the elimination of the Essential
2 Air Service (EAS) program by President Donald Trump in his proposed 2018 Federal Budget.
3 Elimination of this EAS funding would have a dramatic effect on the Chippewa Valley Regional
4 Airport as the fiscal impact on the airport would be a minimum annual reduction of \$350,000 in
5 airport revenue.

6 Scheduled airline service provides the Chippewa Valley with access to the world and the
7 world access to the Chippewa Valley. Funding for scheduled airline service to and from the
8 Chippewa Valley is currently needed through the EAS program. Elimination of the EAS funding
9 would result in loss of airline service to 173 communities in 36 states, or 30% of the airports
10 that currently have scheduled airline service in the United States.

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Resolution No. 9-17

RESOLUTION TO SUPPORT CONTINUED FEDERAL FUNDING OF THE ESSENTIAL AIR SERVICE PROGRAM

WHEREAS, President Donald Trump's FY18 Budget proposes eliminating funding for the Essential Air Service (EAS) program, which provides funding for airline service to the Chippewa Valley; and

WHEREAS, EAS is a federal program enacted to guarantee air service to small communities in the United States, served by certified airlines prior to airline deregulation to maintain a minimal level of scheduled air service that otherwise would not be profitable; and

WHEREAS, the EAS program provides access to the national air transportation system in 173 communities in 36 states; and

WHEREAS, approximately 30% of the airports in the United States are receiving airline service under the EAS program; and

WHEREAS, the EAS program is user fee funded with a portion of the funds coming from aviation overflight fees with the remaining funds coming from the Aviation Trust Fund, which is funded through aviation user fees; and

WHEREAS, access to the national transportation system for scheduled air service through the Chippewa Valley Regional Airport is essential for attracting and maintaining businesses to the Chippewa Valley and for promoting economic development; and

WHEREAS, currently the Chippewa Valley Regional Airport has daily scheduled airline service to Chicago; and

WHEREAS, the Chippewa Valley Regional Airport served 43,578 total passengers in 2016; and

WHEREAS, loss of scheduled air service will negatively impact the ability of the Chippewa Valley Regional Airport to support private and business aircraft operations since the amount of user fee funded capital improvements the airport receives is tied to the number of passenger enplanements; and

WHEREAS, if the Chippewa Valley Regional Airport drops below 10,000 passengers per year, the Federal Aviation Administration funding for airport capital improvements will drop from \$1 million per year to \$150,000 per year; and

WHEREAS, air passengers utilizing the Chippewa Valley Regional Airport in 2014 spent

56 \$4.3 million and supported 70 additional jobs in the Chippewa Valley, with a payroll of \$1.3
57 million; and

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59 WHEREAS, the direct effect of the airport on the Chippewa Valley economy in 2014
60 totaled 157 employees, a payroll of \$7.8 million and \$41.6 million in economic output;

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63 NOW, THEREFORE BE IT RESOLVED, that the Chippewa County County Board of
64 Supervisors does hereby support continued federal funding for the EAS program; and

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66 BE IT FURTHER RESOLVED, that the Chippewa County Board of Supervisors directs the
67 County Clerk to forward this resolution to President Donald Trump, Congressmen Ron Kind and
68 Sean Duffy, Speaker of the House Paul Ryan, Senators Tammy Baldwin and Ron Johnson,
69 Governor Scott Walker, and the Wisconsin Counties Association.

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71 Forwarded to the County Board by the Economic Development Committee.

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73 **FINANCIAL IMPACT:**

74 Fiscal Impact is a minimum annual reduction of \$350,000 in airport revenue if EAS is eliminated.

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77 History:

78 05/03/17 Economic Development Committee FORWARD TO COUNTY BOARD

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Approved as to Form:

James B. Sherman
James B. Sherman, Corporation Counsel

4/25/2017

Melissa J. Roach
Melissa J. Roach, Finance Director

4/25/2017

Frank R. Pascarella
Frank R. Pascarella, County Administrator

4/25/2017

FACT SHEET ON PROPOSED ELIMINATION OF EAS FUNDING

Access to the national air transportation system keeps communities viable in a global economy. Scheduled airline service provides the Chippewa Valley with access to the world and the world access to the Chippewa Valley. Funding for scheduled airline service to and from the Chippewa Valley is currently needed through a federal program called the Essential Air Service (EAS) program. President Trump's FY2018 budget includes elimination of the EAS program. Elimination of the EAS program would not result in lowering the average resident's income tax burden. It would merely result in loss of airline service to 173 communities in 36 states, or 30% of the airports that currently have scheduled airline service in the United States.

The Chippewa Valley Regional Airport Commission is committed to continued public education of local airline service options with the goal of ultimately eliminating the need for the EAS program. Total revenue passengers utilizing the Chippewa Valley Regional Airport in 2016 increased 9% over 2015 and year over year increases have continued into 2017.

Fiscal Impact is a minimum annual reduction of \$350,000 in airport revenue if EAS is eliminated.

Respectfully submitted,

Charity Zich
Airport Director