**MINUTES**

**SENATE INTERIM COMMITTEE ON TRANSPORTATION, TECHNOLOGY &**

**AND LEGISLATIVE AFFAIRS**

**HOUSE INTERIM COMMITTEE ON PUBLIC TRANSPORTATION**

**Monday, October 15, 2012**

The Senate Committee on Transportation, Technology and Legislative Affairs and the House Committee on Public Transportation met jointly at 1:30 p.m., Monday, October 15, 2012, at the Aerospace Education Center, Little Rock, Arkansas.

**Committee members in attendance:** Senator Linda Chesterfield, Senate Chair; Representatives Jonathan Barnett, House Chair; Mary P. “Prissy” Hickerson, Walls McCrary, Terry Rice, and Tommy Thompson.

Other legislators in attendance: Representative Fredrick J. Love.

The meeting was called to order by Senator Linda Chesterfield.

Chairman Chesterfield welcomed everyone and recognized Mr. Jim Dailey, former Mayor of Little Rock, and Chairman of the Airport Commission. Mr. Dailey said the expansion is part of a multi phased redevelopment of the airport.

Consideration to Approve Minutes of September 12, 2012 **[Exhibit C]**

Without objection, the minutes were approved as written.

Discussion on the Operations and Expansion of the Airport and its Economic Impact on Arkansas

Mr. Ron Mathieu, Executive Director, Clinton National Airport, gave a PowerPoint presentation on the Airport **[Attachment 1].** He advised that the Airport is a market place for the community because businesses transact business at the Airport. It is a transportation hub but, more importantly, it is an economic engine for the community. There are six airlines that service the Airport to include Delta, United, Southwest, Frontier, American and U. S. Airways.

Airport Facts and Figures

* annual impact of the airport is $1.2 billion
* 2.2 million passengers annually
* 124 flights daily
* expanding nonstop flights, including Washington National Airport
* 92% of Arkansans who fly use the Clinton National Airport
* 4,000+ jobs on the airport’s 2,200 acres
* Standard and Poors Rating on general revenue bonds upgraded to “A”
* State Sales Tax paid in 2011 was $7,103,653
* 93% of men and women building Phase I live in Central Arkansas, with 24%-26% minority participation

In February 2012, *Arkansas Business* reported the food and beverage concessions at the airport were the highest grossing restaurants in Little Rock for the past four years.

In February 2013, the airport will unveil a new baggage screening system that is part of the airport’s $67 million in improvements. The new system will allow the Transportation Security Administration (TSA) workers to screen more than double the amount of luggage per hour compared to the prior system and allows passengers to drop their checked bags directly with ticket agents.

Phase I Funding will not increase taxes and there will be no additional cost to airlines or passengers. Funding sources consists of federal grants, passenger facility charge (PFC), future PFC and the Clinton National Airport’s share for a total of $67 million.

Mr. Mathieu said that under the leadership of Chairman Miller, the Commission was able to renew and extend the Dassault Falcon Jet lease from 2012 to 2050. The payroll impact will be $5.7 billion into the local economy, that is $150 million of payroll annually. He added that aerospace is Arkansas’s #1 export.

Representative Love asked for an update on Southwest Airlines (SWA) and the status of the airline flying to Memphis. Mr. Mathieu said this concerns the Wright Amendment, which expires November 2014. The Wright Amendment limited most non-stop flights to destinations within Texas and neighboring states. Last year, SWA acquired Air Tran Airways which operates in Memphis. SWA has announced that it will start serving Memphis in the near future.

Representative Rice asked if PFC’s are project specific. Mr. Matthieu said the PFC’s are project specific with the $4.50 collected on every ticket sold out of Little Rock.

In response to a question from Representative McCrary, Mr. Mathieu advised that the Aerospace Education Center is used for special events. Until airport construction is completed, airport staff is housed in the facility. There are plans to hire a firm to market the facility.

The meeting was adjourned at 2:12 p.m. to tour the new baggage facility at the Airport and to also tour Dassault Falcon Jet.

Airport Tour

With the new baggage screening system, the out-bound luggage can be loaded onto planes within three minutes from drop off to airplane. The number of luggage carousels was expanded from two to four. There are now three x-ray machines designed to handle future growth.

Dassault Falcon Jet Corporation

Dassault Falcon Jet is located on 80 acres and has 2,000+ employees, with a $140 million in annual payroll and a $40 million purchasing impact on Arkansas’s economy. Dassault employees are recruited from a 12 county area in Arkansas. Sales overseas are approximately 70%.