

**U.S. CONTRACT  
TOWER  
ASSOCIATION  
ANNUAL  
REPORT**

**1997**





## **USCTA POLICY BOARD**

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Jack Schelter, A.A.E. (Phoenix, Arizona)

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# Foreword





# FAA CONTRACT TOWER PROGRAM

Since 1982, the FAA has contracted air traffic control services to the private sector at Level I visual flight rule (VFR) airports. The program, officially named the FAA Federal Contract Tower Program, has received positive reviews from all involved, including FAA, local airport management, Congress and, most importantly, the users of the aviation system.

A total of 160 airports are currently participating in the program at 100 percent federal reimbursement for the operation of their respective towers (180 by the end of FY 1998). Airports with Level I contract towers universally have expressed support for the program, particularly in light of the fact that FAA budget constraints could force the closure of many of these facilities if they were not part of the contract tower program.

The primary advantages of this program are enhanced safety, improved ATC services and significant cost savings to FAA. The private sector can operate a Level I tower for about 50 percent of what it costs the federal government (FAA's annual cost per Level I tower is \$508,000 versus approximately \$253,000 for contract towers). Annual savings to FAA as a result of this program are estimated at about \$27.5 million. Members of Congress and the DOT/FAA have pointed to this program as an example of how FAA, in cooperation with local governments, can provide an important service to aviation users at a substantially reduced cost to the taxpayers.

The American Association of Airport Executives (AAAE) created the U.S. Contract Tower Association (USCTA) in 1997 to promote the contract tower program and to enhance aviation safety at smaller airports. The USCTA is coordinating contract tower issues on a regular basis with DOT/FAA, the National Transportation Safety Board (NTSB), Congress, the General Accounting Office and the DOT Inspector General.

USCTA receives oversight from a Policy Board comprised of the following members: Roger Engstrom, A.A.E. (Mobile, Alabama), Jack Schelter, A.A.E. (Phoenix, Arizona), Ted Soliday (Naples, Florida), Richard Baird (Hailey, Idaho), Tim Rogers, A.A.E. (Salina, Kansas), Ron Craft (Jefferson City, Missouri), Steve Stockam (Joplin, Missouri), Steve Brian (Brunswick, Georgia), Bryan Elliott, A.A.E. (Charlottesville, Virginia), Glenn Januska, A.A.E. (Waukesha, Wisconsin) and James Hansford, A.A.E. (Mosinee, Wisconsin). Shane Cordes of Midwest ATC serves as an ex-officio member of the Policy Board.

Spencer Dickerson, executive vice president of AAAE, is executive director of the USCTA. Washington consultants to the association are Linda Hall Daschle of Baker, Donelson, Bearman & Caldwell; Patrick McCann of The Wexler Group, and Larry Barnett of AB Management Associates.



# MEMBERS OF THE USCTA:

AS OF 12/22/97:

Mobile Downtown Airport (Alabama)	Barkley Regional Airport (Kentucky.)
Flagstaff Pulliam Airport (Arizona)	Houma-Terrebonne Airport (Louisiana)
City of Phoenix Aviation Department— Goodyear Airport (Arizona)	Martin State Airport (Maryland)
Mesa/Williams Gateway Airport (Arizona)	Westfield Barnes Airport (Massachusetts)
Glendale Municipal Airport (Arizona)	Joplin Regional Airport (Missouri)
Texarkana Regional Airport (Arkansas)	Jefferson City Memorial Airport (Missouri)
San Carlos Airport (California)	Cape Girardeau Regional Airport (Missouri)
San Luis Obispo County Airport (California)	Gallatin Field (Montana)
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Salinas Municipal Airport (California)	Cleveland Burke Lakefront Airport (Ohio)
Bradley International Airport (Connecticut)	Cuyahoga County Airport (Ohio)
Boca Raton Airport (Florida)	Max Westheimer Field (Oklahoma)
Lakeland Linder Regional Airport (Florida)	Redmond Municipal Airport (Oregon)
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Titusville-Cocoa Airport (Florida)	Smyrna Rutherford County Airport (Tennessee)
Page Field (Florida)	Stinson Municipal Airport (Texas)
Southwest Georgia Regional Airport (Georgia)	Laredo International Airport (Texas)
Glynco Jetport (Georgia)	Charlottesville-Albemarle Airport (Virginia)
Friedman Memorial Airport (Idaho)	Walla Walla Municipal Airport (Washington)
Pocatello Regional Airport (Idaho)	Wheeling-Ohio County Airport (West Virginia)
Waukegan Regional Airport (Illinois)	Greenbrier Valley Airport (West Virginia)
St. Louis Regional Airport (Illinois)	Central Wisconsin Airport (Wisconsin)
Williamson County Regional Airport (Illinois)	Waukesha County Airport (Wisconsin)
Columbus Municipal Airport (Indiana)	Cheyenne Airport (Wyoming)
Salina Municipal Airport (Kansas)	Midwest Air Traffic Control Services, Inc.
Johnson County Executive Airport (Kansas)	COMARCO Airport Services
Manhattan Regional Airport (Kansas)	Serco Management Services
Bowling Green-Warren County Airport (Kentucky)	Walker Air Traffic Services
	Hoyle Tanner and Associates Inc.



# USCTA ACTIVITIES AND FAA CONTRACT TOWER DEVELOPMENTS IN 1997


The DOT/FAA fiscal year 1998 appropriations bill signed by the President includes full funding of \$43.7 million for the FAA Contract Tower Program. This level was supported by the USCTA and AAAE and the letters and phone calls made by airports to members of Congress during the appropriations process were very important in helping to secure full funding for the program.

USCTA staff members and Washington consultants held very productive meetings with officials from the DOT Inspector General's (IG) office. The IG also met with ATC companies and airport officials throughout the country. The IG is conducting a comprehensive review of the contract tower program to ensure that the levels of safety at an FAA-operated tower and at a contract tower are equivalent. The IG staff is reviewing a number of issues, including employee qualification and the hiring standards of the different contractors. The IG report is expected to be released in early 1998.

The Policy Board for the USCTA unanimously agreed at its July 17 meeting in Washington, D.C., to recommend the convening of an FAA/industry summit to address the major problems airport operators experience in understanding the benefit/cost (b/c) formula FAA uses to determine eligibility for the contract tower program. Among the b/c issues the USCTA Policy Board recommends be discussed at the summit are (1) the overall simplification of the b/c contract tower establishment and discontinuance criteria; (2) the consistent treatment of all FAR Part 121 operations, regardless of size, in the b/c ratio; (3) the weights assigned in the b/c formula to various regional, air taxi, general aviation and military aircraft operations; (4) utilization of establishment versus discontinuance criteria in the program; (5) a detailed explanation of the assumptions used in the b/c formula; (6) application of appropriate site specific data provided by the airport operator that is defensible and realistic for use in the b/c formula; (7) the consistent application of the b/c ratio from airport to airport; (8) easier access by airports to their individual b/c ratios; (9) value-added credit for locations with combined ATC/weather services, and (10) a cost-sharing pilot

program for airports with b/c ratios below 1.0. (Later, the FAA agreed to the b/c summit, which will be held March 2-3 in 1998 in Washington, D.C.)


Policy Board members also discussed ways to maintain an optimum working relationship with contract air traffic controllers at their airports. It was determined that communication is a vital ingredient in a successful relationship. All USCTA members are urged to maintain a consistent exchange of information between the airport and the contract controllers.

 More than 50 airport executives, FAA staff and other aviation officials participated in the FAA/U.S. Contract Tower Association (USCTA)/AAAE Contract Tower Workshop, July 17-18, 1997, in Washington, D.C.

Monte Belger, acting deputy administrator of the FAA, was the keynote speaker and expressed strong support for the contract tower program. Other speakers included Sam Whitehorn, senior Democratic counsel of the Senate aviation subcommittee; airport representatives, and officials from several ATC companies. The workshop included a detailed briefing by Jim Slate, manager of the FAA Contract Tower Program, and other FAA officials on the current contract

tower program and long-term challenges.

It was emphasized during the workshop that the b/c ratio is key to the contract tower program and FAA annually will compute the ratios for contract tower and candidate sites. Airports are advised to know their facility's b/c ratio and to ensure that FAA is using the correct historical statistics to compute the ratio, which are the total enplanements and total operations. It is also essential that FAA is using acceptable terminal area forecast (TAF) information. Airports may check on the numbers FAA is using for their facility by accessing FAA's Internet site at [http://api.hq.faa.gov/apo\\_home.htm](http://api.hq.faa.gov/apo_home.htm).

 The contract tower program also attracted widespread attention on Capitol Hill in 1997.

Among questions submitted to FAA Administrator Jane Garvey following her confirmation hearing before the Senate aviation subcommittee was a request from Sen. Wendell Ford (D-Ky.), ranking Democrat on the subcommittee, asking her thoughts on the proposed cost-sharing partnership that would allow airports with b/c ratios below 1.0 to participate in the contract tower program. Ford described the contract tower program as a "cost-effective way to enhance safety at smaller airports" and noted that, under such a partnership,

FAA and the local airport would each assume a percentage of the annual operating costs of the tower. He asked if Garvey would be willing to work with Congress to develop and implement such a plan.

Garvey responded that, "Based on the briefings I have received, I agree with you on the benefits associated with the contract tower program. I have not yet studied cost-sharing but would be pleased to work with you and the committee to explore alternatives to improve safety and efficiency."

Separately, Sen. John McCain (R-Ariz.), chairman of the Senate Commerce Committee, in a letter to James McCue, A.A.E., manager of the Glendale (Ariz.) Municipal Airport, referred to the contract tower program as "enhancing safety and increasing economic productivity for small communities, while providing significant savings to FAA." McCain pledged to keep the program in mind when his committee reauthorizes funding for FAA in 1998.

In another example, the Senate transportation appropriations subcommittee's conference report on the fiscal year 1998 DOT bill noted the panel's concern about the pending loss of funding for towers at 22 airports nationwide unless the b/c ratio at the facilities exceeds 1.0 by the end of 1998. The committee said it would monitor developments at these airports and urged FAA to explore alternatives to withdrawing

funding, such as sharing tower operating costs. In addition, the committee directed FAA to study traffic at airports in New Bern and Hickory, N.C., and at the Salisbury/Wicomico County Regional Airport in Maryland. If these airports meet or are projected to meet FAA's b/c criteria within the next two years, or if tower operation could be justified under a cost-sharing arrangement, FAA is directed to open contract towers at these airports for service during fiscal year 1998.

Acting FAA Deputy Administrator Belger testified before the Senate transportation appropriations subcommittee in June and explained that from 1993-1996, FAA reduced the controller workforce through its successful initiative to contract out the low activity Level I towers. "Once this initiative is completed, we will have effectively reduced the controller workforce requirements by approximately 1,000 for an annual savings of approximately \$25 million, with no adverse impact on safety," he said. "During this period, controller hiring averaged only 100 per year because we were also reassigning approximately 200 controllers per year from the closed Level I towers to higher level facilities."



**Senator  
John McCain  
(R-Ariz.),  
Chairman,  
Senate  
Commerce  
Committee**



**Senator  
Richard Shelby  
(R-Ala.),  
Chairman,  
Senate  
Transportation  
Appropriations  
Subcommittee**

Following Belger's testimony, Sen. Richard Shelby (R-Ala.), transportation appropriations subcommittee chairman, asked Belger the following question - "Some airports that do not currently qualify for a contract tower have suggested a cost-sharing partnership in which the FAA and local airport would split the annual operating cost of a contract tower. This type of partnership between the

FAA and local airports could enhance aviation safety at a minimal cost to the FAA. What are your thoughts about this?"

Belger responded, "I am very much in favor of these types of arrangements, particularly if it will provide service in the form of an air traffic control tower that we otherwise could not provide because it does not meet our criteria."

**T** Numerous members of Congress have also sent letters of support for the contract tower program to individual airport executives, including:

- Rep. Helen Chenoweth (R-Idaho) noted that the program "is a cost effective way to ensure that small airports are just as safe as large ones. I also understand that as small communities continue to grow and expand,

there will be more and more need for this program to provide vital equipment to small airports."

- Sen. Ford, of Kentucky, pointed out that the airports at Paducah and Owensboro are participating in the program "and it has proven to be very successful, earning praise from all users of the system. The contract tower program will continue to play an important role in our efforts to improve the overall safety and efficiency of the air traffic control system."

- Rep. Charles Canady (R-Fla.) commented that, "Given the rapid growth of air traffic in Florida in particular and the nation in general, I agree that the FAA contract tower program makes an important contribution to our nation's air safety. A balanced federal budget is and should be a top priority for Congress, but air travel and safety are matters which the federal government must not place at risk."

- Sen. Dirk Kempthorne (R-Idaho) stated that the program "is important to my state of Idaho because of our large geographic area, which is serviced by several small airports throughout the state. In light of the decreases in grants to smaller airports, it is imperative that the control tower program be fully funded in an effort to maintain a high level of safety. Not only does this

program enhance safety for small airports, but it also provides a large economic spinoff for communities that receive an increase in the number of airlines serving their region. As an example, the Lewiston-Nez Perce County Regional Airport has seen a 33 percent increase in airlines servicing the area, in addition to a 20 percent-50 percent increase in airline passenger activity. This has had a significant economic impact on the Lewiston-Nez Perce area that otherwise would not have occurred.”

- Sen. Frank Lautenberg (D-N.J.) noted that, “We must do what we can, with limited resources, to protect pilots and their passengers in our smaller airports.”

Sen. Ford introduced legislation (S.1516) right before the congressional recess in November 1997 to establish a pilot program to contract air traffic control services at 20 smaller airports currently not eligible for FAA’s contract tower program. Under the Ford proposal, certain airports with tower b/c ratios below 1.0 would be eligible for the contract tower program if they are willing to fund a pro-rata share of the operating costs. This cost sharing concept for contract towers is supported by AAAE and the USCTA as a way to enhance safety at smaller airports.

“We commend Sen. Ford for introducing this legislation,” commented Spencer Dickerson, USCTA executive director. “Sen. Ford has been a long-time supporter of the contract tower program. This cost-sharing idea will further increase safety margins at smaller airports presently not eligible for the program.”

National Transportation Safety Board (NTSB) Chairman Jim Hall wrote to various aviation organizations that his agency supports the contract tower concept “and our staff believes that contract facilities are capable of providing the support and expertise necessary to meet the demands of Level I visual flight rules airports.”

NTSB Vice Chairman Bob Francis, interviewed July 25 as part of Aviation News Today, commented, “I spend a lot of my time talking about cooperation and partnership between the industry and government. The contract tower program is a perfect example of this type of partnership and is enormously important. The contract tower program is an area where the FAA,



**Senator  
Wendell Ford  
(D-Ky.),  
Ranking  
Democrat,  
Senate  
Aviation  
Subcommittee**



**NTSB Chairman  
Jim Hall**

airports and the industry are cooperating and working together effectively.”



**NTSB Vice  
Chairman  
Bob Francis and  
USCTA  
Executive  
Director  
Spencer  
Dickerson**

Numerous aviation associations also expressed their support for the goals of the USCTA in letters to members of Congress and the Clinton administration in 1997. Letters were sent by the National Air Transportation Association, the General Aviation Manufacturers Association, the National Business Aviation Association, the Regional Airline Association, the Cargo Airline Association and the Airports Council International-NA.

Twenty-two contract towers were informed by FAA that they have until the end of 1998 to meet the agency’s b/c criteria or face loss of federal funding.

A location meets the b/c criteria when the benefits of an operation equal or exceed the costs of an operation, as expressed by a b/c ratio of 1.0 or greater.

Towers that were notified are: Tuscaloosa Municipal (Ala.), Phoenix Goodyear Municipal (Ariz.), Salinas Municipal (Calif.), Whiteman (Calif.), Southwest Georgia Regional (Ga.), Pocatello Regional (Idaho), Southern Illinois (Ill.), Williamson County Regional (Ill.), Hutchinson Municipal (Kan.), Phillip Billard Municipal (Kan.), Alexandria Esler Regional (La.), Joplin Regional (Mo.), Kinston Regional (N.C.), Central Nebraska Regional (Neb.), Lea County/Hobbs (N.M.), Oneida County (N.Y.), Grand Stand (S.C.), Greenville Downtown (S.C.), Olympia (Wash.), Kenosha Regional (Wis.), Lawrence J. Timmerman (Wis.) and Greenbrier Valley (W.Va.).

During 1997, USCTA staff and Washington consultants closely monitored NTSB’s investigations of the three accidents occurring at contract tower locations at Meigs Field, Tyler Pounds Field and Guam. Recommendations relating to controller training and staffing may be included when the Board issues its final report and probable cause for the three accidents. USCTA staff and Washington consultants also

coordinated the USCTA and AAAE response with the media and congressional staff regarding these three incidents.

To introduce the purpose and goals of USCTA to federal officials, the organization's staff and Washington consultants had courtesy meetings with House aviation subcommittee staff members David Schaffer, Jim Coon, David Traynham and Mary Walsh; Senate aviation subcommittee staff members Ann Hodges, Mike Reynolds, Charles Chambers and Sam Whitehorn; House transportation appropriations subcommittee staff member Rich Efford; Senate transportation appropriations subcommittee staff member Wally Burnett; Tom Zoeller of Sen. Wendell Ford's staff; Brett Hale of Sen. Slade Gorton's staff; Kerry Ates of Sen. Jay Rockefeller's staff; Greg Rohde of Sen. Byron Dorgan's staff; Mark Ashby of Sen. John Breaux's staff; Sam Willett of Rep. Ron Lewis' staff; Jane Garvey, FAA administrator; Monte Belger, acting FAA deputy administrator; Jim Hall, NTSB chairman, and Bob Francis, vice chairman of NTSB. All of these officials expressed strong support for the contract tower program and emphasized the need to keep it as cost effective as possible.

At the AAAE Annual Conference and Exposition in May 1997 Minneapolis/St. Paul, Minn., members passed a resolution commending FAA's contract tower program. The resolution states:

**“Whereas**, since 1982, the FAA has contracted to the private sector air traffic control services at a number of low activity Level I visual flight rule (VFR) airports; and

**Whereas**, a total of 135 airports are currently participating in the program at 100 percent federal reimbursement for the operation of their respective towers; and

**Whereas**, the primary advantages of this program, officially named the Federal Contract Tower Program, are aviation safety enhancements, improved ATC efficiencies and cost savings to FAA; and

**Whereas**, this public/private sector partnership has received positive acclaim from FAA, Congress and, most importantly, the users of the aviation system; and

**Whereas**, airports with Level I towers and users universally have expressed strong support for the program, particularly in light of the fact that FAA budget constraints would force the closure of many of these facilities if they were not part of the contract tower program; and

**Whereas**, to advance aviation safety and enhance the future viability of the contract tower program, the American Association of Airport Executives (AAAE) Board of

Directors authorized the creation of the U.S. Contract Tower Association (USCTA); and

**Whereas,** the purpose of the USCTA is to focus on key aviation safety issues, federal financial matters and operational policy initiatives regarding contract towers, and to ensure that the program is adequately funded in the future.

**Now, therefore, be it resolved** that the American Association of Airport Executives and the U.S. Contract Tower Association strongly encourage the Federal Aviation Administration and the appropriate committees of the U.S. Congress to enhance and strengthen the Federal Con-

tract Tower Program as a cost-effective way to increase air transportation safety.”



The USCTA has its own Internet home page which provides members with the latest in publications, meeting announcements, press releases and Internet links to other valuable web sites. The address is:

**<http://www.airportnet.org/cta/>**.

In addition, FAA’s Office of Contract Towers has a home page on the Internet. You can find it at:

**<http://www.faa.gov/ats/ato/ato310.htm>**.

**Airports and companies interested in joining the USCTA should contact:**

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4212 King Street  
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Salina (Kansas) Municipal Airport  
Mobile (Alabama) Downtown Airport  
Waukesha County (Washington) Airport  
Central Wisconsin Airport, Mosinee  
Naples (Florida) Municipal Airport (*photo by Pat Shapiro*)  
Goodyear (Arizona) Airport  
Walla Walla (Washington) Regional Airport (*photo by Larry Adams*)  
Cheyenne (Wyoming) Airport  
Glendale (Arizona) Municipal Airport

## **AAAE AND THE U.S. CONTRACT TOWER ASSOCIATION WOULD LIKE TO THANK THE FOLLOWING AIRPORTS AND COMPANIES FOR THEIR GENEROUS FINANCIAL SUPPORT OF THE USCTA IN 1997:**

Mobile Downtown Airport (Alabama)	Barkley Regional Airport (Kentucky.)
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