Three airport issues: safety, finance, and regulation

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The ecosystem of nongovernmental airport groups

Five groups deal with Aspen / Pitkin County Airport issues: three grassroots citizen groups,

- Aspen Fly Right (2022, §501(c)(3), aspenflyright.org): science, facts, and public education about airport choices
- Citizens Against Bigger Planes (2024, §501(c)(4), citizensagainstbiggerplanes.com): sponsors informational and political activity about airport choices
- Its issue committee Our Airport Our Vote (2024, §501(c)(4), our airport our vote.com): supports ballot question 200 and opposes ballot question 1C

and two groups led by people with the same names and faces as five County Commissioners and three local Mayors but with their hats off, plus their surrogates and supporters:

- Community Coalition for a 21st Century Airport (2024, unregistered, airportcoalition.com): sponsors informational and political activity on airport issues
- Its issue committee A Whole Lot of People for a Better Airport (2024, §501(c)(4), abetterairport.com, office is a box in the UPS Store): supports ballot question 1C, recently began opposing question 200

Those two groups appear to reflect an effort to evade the Colorado Fair Campaign Practices Act, which forbids using public resources (like paid elected officials' time) to sway voters. Some allies, notably the Aspen Skiing Company and its parent Aspen One, appear to be supporting those two groups and seeking to sway voters without registering as an issue committee.

All five organizations listed above support the entire <u>Airport Modernization Plan</u>, *except* that the first three groups oppose redesigning the airfield to accept bigger planes (with wingspans up to 118' rather than the currently legal 95', via Plan tasks 12d, 12e, and 13 headline), while the latter two groups don't mention this one issue that distinguishes them from the other three groups. This is naturally confusing.

As an independent and apolitical public charity, Aspen Fly Right can't conduct political activities, such as seeking to influence voters on ballot measures. My comments here are therefore confined to background issues. Separately, Chuck Butler, who leads the two anti-expansion groups that can and do take political action, comments separately on Pitkin County Democrats' electoral analysis. I hope my comments below can further inform the public.

Aspen Fly Right's thousands of hours of airport research are documented in hundreds of pages of postings at <u>aspenflyright.org</u>, ranging from detailed technical essays to short letters and op-eds. We're happy to address your questions, or to receive any specific factual corrections under our rigorous error-correction policy, at <u>info@aspenflyright.org</u>. Thank you for your kind attention to this important issue.

I'll now summarize some basic but often misunderstood facts about airport safety, financing, and regulation.

Safety

We're often told *safety* is and has always been the main reason for increasing the runway-taxiway centerline separation from the nonstandard 320' allowed by the FAA's 1999 Modification of Standard to the standard 400'. There is no evidence for that revisionism. Claims that our airport doesn't meet current FAA safety standards are also false. There is no current FAA safety standard that our airport doesn't meet. It's safe now; if it weren't, the FAA would close it. The County has been unable to produce any analysis identifying any safety deficiency at our airport, or explaining how their expansion plan would fix it.

Here's the confusion: our 320' separation is safe for the airplanes that can legally land here, which have wingspans up to 95'. The FAA calculated that 95' wingspan limit for "equivalent safety," making our nonstandard combination of wingspan (95') and separation (320') exactly as safe as the standard combination of 118' and 400'. Therefore, our airport has a separation just as safe for its actual operations as any larger Group III airport is with its correspondingly larger planes. The misleading claim that our airport doesn't meet those larger airports' separation standard, matched to their bigger planes, is irrelevant so long as we retain the 1999 FAA Modification of Standard authorizing 320' separation. FAA regional director John Bauer told the BOCC on 11 April 2023 that he wouldn't revoke that MoS. No one proposes any action that would give him grounds to do so, though expansion advocates routinely assume that an illegal action, such as building without an approved Airport Layout Plan, would actually occur.

At a cost, any airport layout could probably be changed in ways that in principle might make it "even safer." Some expansionists claim that increased separation at ASE is "obviously" desirable—and presumably worth its \$88 million extra cost for associated airfield changes (rebuilding the runway costs about the same whether it's moved or not). This raises two issues. First, since our airport *already* meets the FAA's safety standards for the planes that can legally land here, calls to make it "even safer" are really attacking the FAA's separation standards as inadequate. Since I deeply respect the FAA's safety expertise, I think such a bold claim requires strong evidence that I can't find in literature or experience. Second, if it were true that existing separation when maximum wingspan is controlled for equivalent safety (as the FAA did for ASE and has kept us safe for a quarter-century) should be made even larger, so the FAA should raise its separation standards everywhere, then that should be done first at airports with more flights and space.

Safety is not a serious argument for increased runway/taxiway separation. Wider separation might in principle reduce sideswipes, but ASE has apparently never had such an accident, and top pilots on the Safety Task Force couldn't tell me of one elsewhere. They seem very rare. The SkiCo's Michael Miracle told the Snowmass Village Town Council on 10 Oct 2024 that the recent Atlanta Airport accident, where the wingtip of a Delta A350 knocked the tail off a Delta CRJ-900, illustrates the dangers of inadequate runway-taxiway separation. He was mistaken: that collision had nothing to do with separation between a parallel runway and taxiway. Those two Atlanta planes were roughly at right angles when they collided at the right-angle intersection between their respective taxiways.

We're often reminded of the maxim "Standardization = Safety." Standardization is valid and valuable in aviation *operations*—yet is not achievable at ASE, perhaps the only US public airport with simultaneous opposite-direction operations, requiring special choreography so inbound and outbound planes won't collide. Standardization is certainly not validly generalizable to Aspen Airport's *layout*. ASE has 85 Modifications of Standard; separation is just one. Many are permanent. Each is subject to FAA discretion. All pilots planning a flight to ASE read about the key attributes of this unique airport, so they won't be surprised that it has many layout and procedural differences from other airports. That prebrief process works well. It's vanishingly rare for an illegally big plane to arrive in ignorance of our wingspan-limit Ordinance, try to land, and have to divert.

What about widening the runway? Runway excursions (accidentally running off of or beyond the runway) might be slightly reduced by widening, but the National Business Aviation Association's excellent year-old study didn't make widening a recommendation, because it's a vastly lower priority than addressing the overwhelming cause of excursions—insufficient pilot proficiency. Four-laning Highway 82 didn't stop crashes, any more than it magically put us all in cleaner and more-efficient new autos. Widening its lanes could well reduce safety—think speeding motorcyclists and risky drivers weaving through traffic.

Proposed widening of ASE's single runway from 100' to 150' is actually triggered not by any safety need but just by the 156,300-lb (i.e. >150,000-lb) *weight* of the A220-300 that the FAA insists the airfield be redesigned for. The opportunistic after-the-fact safety claim is unsupported by analysis. It may also be

backwards. The wider-wingspan, heavier planes allowed on the coattails of over-95' A220s (of either size) could well *reduce* safety, due mainly to greater weight and stopping distance, lesser agility (important in maneuvers like ASE's precise and demanding go-around pattern), and more yaw (tendency to turn sideways) if an engine fails, because the engines are mounted outboard under the wings rather than on the aft fuselage. It could well turn out that any modest gain from expanded layout is offset, or more, by the less robust ASE safety attributes of the planes permitted by that layout. That analysis has not been done.

Finance

The BOCC is hastening to apply in 2026 for big federal grants expiring in 2027. Are those grants, and routine FAA discretionary grants, actually needed? Our March (summarized here), updated April, 2024 financial analysis showed they're not, because the County is simultaneously set to sign an FBO deal earning the airport an annual average of \$29 million in fees—three times what financing the County's Bigger Airport or Aspen Fly Right's Better Airport would cost. In other words, \$0.9 billion in fees is three times the \$0.3 billion cost of airport modernization, with or without bigger planes and the FAA grants needed to seek them. That's ample for well-designed financing (a 2× multiplier using the County's reasonable estimate of 30-year 5% airport revenue bonds), even with plausible cost overruns. The Atlantic Aviation FBO deal looks set to be signed shortly, and that's exactly the revenue stream and bond structure that both our analysis and the County's own projections assumed—though many critics falsely say we assumed the self-operated FBO model that almost half of America's FBOs use. We may never know (certainly not in time) whether another FBO model might have been better: the County's consultants' comparisons remain secret. The BOCC has also striven for two years to prevent any discussion that links modernization financing with FBO revenue.

Aspen Fly Right's spring 2024 financial analysis broke that taboo. We confirmed that FBO revenues *could* displace FAA grants. The County tried to discredit our analysis through consultants and surrogates. Four attempts crashed for lack of truth, as our responses show:

- to the County Manager's anonymous reviewers:
 https://static1.squarespace.com/static/661ed88a9b053e2b6cb43b04/t/66aadef84ac70e446960a16d/1722474232940/AspenFlyRight'sResponseToCountyCriticismsOfItsFinancialAnalyses+%281%29.pdf
- to Greg Goldfarb: https://aspenflyright.org/goldfarb or https://aspenflyright.org/goldfarb or https://aspenflyright.org/goldfarb or https://aspenflyright.org/goldfarb or https://aspenflyright.org/goldfarb or https://www.aspendailynews.com/opinion/lovins-rush-now-latest-alternative-facts-from-the-confusion-mill/article 467eb404-155e-11ef-9fb6-7b849eb2dca3.html
- to Evan Marks: https://aspenflyright.org/marks
- to Ricondo Associates: https://www.aspenflyright.org/ricondo.

A fifth critique, by County consultant and municipal bond advisor Piper Sandler, found that the County "lacks the bonding capacity" to cover most modernization costs from FBO revenues. However, there was no such finding for the *County's* 1 May plan for \$107–165 million of airport revenue bonds to cover a third of its intended modernization costs (after 60% FAA grants)—only for *our* \$247-million proposal to do the same thing but without bigger planes or, therefore, FAA grants. Applying Piper Sandler's bond assumptions to the County's plan would make all but its lowest-cost variant outrun bonding capacity too.

The 21 Aug Piper Sandler critique was released to the BOCC first privately, then publicly (in a Work Session with no public comment period) on 10 Sep 2024. It assumed 29% lower FBO fees than the County expects, then supposed that not adding bigger planes would somehow greatly increase financial risk. That supposed risk turned standard 5% revenue bonds, such as the County expects to fund a third of its own plan, into very costly, tightly restricted, unrated junk bonds yielding two-thirds less money. But

the high risk assumed just for our proposal is inconsistent and illogical. The County's planned, and our proposed, airport revenue bond issues are both for the same airport, purpose, borrower, revenue, duration, and mechanism—two identical horses. Piper Sandler hobbled our horse, but offered no evidence that not adding bigger planes would materially increase risk to investors. It disregarded 12 risk-reducing deal attributes of either proposal. Moreover, our analysis proposed nine credit-enhancing features, including bond insurance, that our five expert bond advisors felt could probably achieve investment grade, just as the County would do for its own planned bonds. Piper Sandler ignored all nine. The County Manager and his staff pretended we didn't suggest them, wrongly told the BOCC we'd also overlooked debt coverage ratios (which we did consider, and mentioned four times), and otherwise misrepresented our analysis. We're about to publish the sad details of this latest, and so far successful, effort to mislead the BOCC.

There's a new wrinkle: ex-County Commissioner George Newman told Snowmass Village Town Council on 10 Oct. that Atlantic Aviation's offered contract (which is still secret, still being negotiated, and he hadn't seen) says "if the County does not abide by the FAA rules in terms of standardization, those [fee] dollars will be reduced substantially, substantially." (Marks says "massively.") However, the financial-terms summary publicly shown to the BOCC on 10 Sep. doesn't say that. It says that repairs, accidents, or "other factors" (including FAA actions) that "substantially and materially restrict the capacity or availability and usage of the Airport for...30 consecutive days" would let Atlantic prorate its guaranteed minimum fees while still paying the County 26% of its actual gross receipts. The difference between these two amounts, hence any effect on fees paid to the airport, is impossible to calculate—pure speculation—and also depends on the election. This secretly negotiated new clause transferring business risks from Atlantic Aviation to the County seems to me unwise, and likely to raise airport borrowing costs no matter which layout is adopted, but the BOCC has the power to approve it anyway, and seems minded to.

So if you wonder how the County is going to pay for a new airfield without FAA grants, please see our March/April analysis, plus our full response to Piper Sandler. Properly structured bonds—as we recommended in vain, and as the County's financial advisors would surely do to achieve the 5% bond rate that the County reasonably uses—can finance either airport layout without FAA grants. There is no risk of burdening the taxpayers, as Greg Goldfarb claims, because airport and County general funds can't legally mix. Interestingly, though, the County is lobbying to try to legalize "revenue diversion" from the airport to other uses, as if it feared—rightly—a crisis of excessive airport income from getting both the \$29M/y FBO fees and the nine-figure, but at least threefold smaller, FAA grants. Modernization needs one or the other, but not both. And so long as the Airport Enterprise Fund and the County General Fund remain separate by law, so neither may pay the other's costs, prominent advocates' recent and frequent claims that gaining grants could cut taxes, or that losing grants could raise taxes, are equally false.

Regulation

Two kinds of regulation are important in the airport dispute. The first is whether Valley governments will tighten restrictions on Short-Term Rentals that reduce affordable housing for local workers and increase crowding in already-stressed upvalley activities like skiing, hiking, dining, parking, and driving, compromising the workforce on which the Valley's economy depends. For example, SkiCo's Michael Miracle told Snowmass Village Town Council on 10 Oct 2024 that since there are some limited examples of STR regulation, it can undoubtedly become so strong, durable, and universal that it prevents overtourism. Such wishful thinking implies a major boost in currently weak and underfunded STR regulation and the political resolve it requires, plus more-frequent (not just triennial) and more-accurate pillow counts. Pitkin County seems to have one STR officer—far fewer than are needed even if the rules were respected. For example, a Woody Creek friend reports that the out-of-state owners of nearby homes each advertise 12–16 winter beds online, far above their license (which one of them has long been contesting in court) and their homes' septic-system, road, parking, and other capacities. Her neighbors are no longer homeowners but nearly-unregulated mini-hotels, augmented by many new actual hotels under

construction Valleywide. No wonder the ski and airport parking lots fill up so early and often: Aspen appears to have far more visitors than it's supposed to have pillows.

The "proliferation of short-term rentals that no jurisdiction controls," which Miracle dismisses as a baseless fear, is exactly what just happened. STR pillows doubled in three years (2015–18), mostly in one year, tripling the apparent long-term rate of airline enplanement growth, which I found is 98% correlated with pillow count (an almost unheard-of closeness of statistical fit). That STR burst, in turn, enabled the FAA to coerce an ASE aviation forecast that assumes the same spurt will repeat throughout the next two decades, with no constraints on lodging or any other resource (though FAA rules require local constraints to be considered). That contrived forecast underlies the current push for bigger planes.

Of course, a forecast is not a hope or a goal; it's a planning tool. But the FAA does require our airport to build infrastructure to support the forecasted growth, thus enabling the growth and tempting developers to exploit its potential as fully as they can. Many expansion advocates say overgrowth won't happen—if you build it, they won't come—but then why build it? They say the new flexgates can be closed to regulate growth. Would the Airport Director or BOCC really turn away the increased flights and guests they just fought so hard to bring? That's a very frail and implausible guardrail. And building a splendid new doubled-size terminal, then closing some gates and choking terminal capacity to provide a poor visitor experience that discourages people from coming, sets a new record for contradictory rationalization.

The official forecast <u>assumes</u> zero lodging constraints in perhaps the most lodging- and land-constrained town in the US. Conversely, expansionists assume draconian lodging constraints, so the airport can be overbuilt without actually bringing in the 31% more airline passengers (plus more private ones) for whom it's to be built—or, under the FAA's TAF projection, 519,000 airline passengers by 2050 (over two-thirds more than we struggle to host now). Which is it? Shouldn't expansionists telling us not to worry about overgrowth admit that they're rejecting the forecast and rationale for bigger planes, connecting to populous new East Coast markets, to bring in more people in the guise of "more convenient flights," thereby potentially offsetting any potential benefits of cleaner planes?

The second relevant form of regulation is the FAA's comprehensive power over US airports. Its most important but least mentioned aspect is that the FAA, though vested with broad federal authority, is charged to respect local laws and regulations, which local citizens or their representatives may change. While mere inconvenience is not an accepted ground for rejecting an FAA standard or rule, local laws and regulations are so important that they're even an FAA-accepted basis for a *new* Modification of Standard.

The FAA's mission is the safe and efficient operation of national airspace and aviation infrastructure. It also seems to have an "access" goal (not in its posted mission or goals) of enabling more planes of more kinds to use any airport they safely can. That's the agency's stated rationale for expanding ASE wingspans from 95' to 118'. However, if the community rejects that outcome, the FAA will need to honor the people's wish. Our analyses show that the expansion is officially forecasted to admit in 2042 only 485 more business jets of four specific types (plus any unspecified types, plus bigger commercial planes that our main airlines don't want). Downgrading our airport (for which the FAA has no rule, procedure, practice, precedent, or desire) to let in only 79' wingspans, to punish us for not accepting 118', would lose 13× that much access, slashing business-jet flights by a third and 12 specific types, and make the agency look ridiculous. "Sterilization," another way to choke airport capacity, would be similarly disastrous for access goals, credibility, and the agency's legal and political health. Tellingly, these dramatic threats are made not by the FAA, which has sole power to enforce them, but only by the County, which invents them to scare people. But the County solicits and the FAA provides menacing memos when mutually convenient.

Especially if citizens demand it, a reasonable accommodation can be found, as it was for the night curfew in 1995. While the FAA's regional manager and County Manager seem to collaborate to try to scare the community into accepting the FAA's demands, the agency is constrained by law (where it's on shaky ground), by its procedures, rules, and customs, by politics, and by economics. Aspen Airport is United's most profit-intensive US airport and was recently its #3 worldwide. The airlines that the FAA is charged to support will not give up this lucrative business. Aspen is also one of the most politically potent communities on the planet.

I'm confident that a mutually satisfactory solution can be found if desired. Aspen Fly Right <u>suggested</u> (p 3) a promising path to the BOCC on 8 April 2024. In due course, our County Commissioners may stop ignoring it, insist on independent information, test and correct the systematic misrepresentations (as we'll document) by some of their staff, and make better choices for all. A propitious start would be to make their own statements, and those made in their names, consistently accurate. Aspen Fly Right will continue its careful and respectful efforts to help achieve that goal.