

# DFW International Airport's Legislative Recommendations (as of October 22, 2001)

## Security Issues

DFW Airport strongly urges Congress to enact the following measures designed to enhance aviation security:

1. **Federalize airport security and screening services.** As part of the federalization of airport security, the federal government should supervise the passenger and baggage security at the 420 commercial passenger airports nationwide. The new security should include federal uniformed personnel managing all operations and maintaining a visible presence at all commercial airports.
2. **Full security screening for any individual who has access to the designated security areas.** Congress should require a full security screening, including magnetometer and x-ray, for all Secure Identification Display Area (SIDA) badge holders prior to entering the SIDA and all FAA-declared secure areas. As a result of the September 11 events, DFW Airport has closed access to all automated 107.14 employee access portals within the terminals and now requires SIDA badge holders to obtain a full security screening before entering the sterile terminal/concourse. DFW Airport strongly believes that this security enhancement should be extended to airports nationwide.
3. **Criminal history electronic fingerprint check of any individual who has access to the designated security areas.** Congress should require retroactive criminal history electronic fingerprint checks of SIDA badge holders and require future criminal history electronic fingerprint checks of all SIDA badge holders upon each subsequent renewal. The Airport Security Improvement Act of 2000 grandfathered existing badge holders and they are thus not subject to criminal history electronic fingerprint checks.
4. **Employee verification at screening checkpoints.** Congress should require SIDA badge validation, via 107.14 AACS, prior to employee screening at all passenger-screening checkpoints. This would require verification of employment status prior to screening through the use of badge-reading devices.
5. **Expand the Air Marshal program.** Congress should approve the President's proposal to permanently expand the Air Marshal Program.
6. **Provide funding to modify aircraft.** Congress should fund the President's proposal to establish a \$500 million fund, which would be used to finance aircraft modifications to fortify cockpit doors.

## **Funding Issues**

Current estimates indicate that DFW Airport will experience a significant revenue shortfall ranging from \$12 to \$48 million. At the same time, it will incur an additional \$8 million in annual security expenses as a direct result of the tragic events of September 11. Because DFW Airport is a “residual” airport, fiscal year-end revenue shortfalls must be made up by those airlines that have signed DFW's *Use Agreement*. To help offset these escalating costs and avoid placing this entire financial burden on the airlines, which are already in financial distress, DFW Airport has cut its operation and maintenance budget by \$26.7 million, which represents more than 10 percent of the Airport's FY 2002 budget. Additionally, DFW Airport is asking Congress to authorize reimbursement for these enhanced—but unfunded—security mandates. DFW Airport is also requesting that airports be given flexibility in how they use the various federal funding sources that are already available to them, such as PFCs and AIP grants. More specifically, DFW Airport is hopeful that Congress will give serious consideration to the following:

1. **Authorize and appropriate funding for security mandates.** Congress should authorize and appropriate sufficient funds to reimburse airports for enhanced security mandates. Airport operators should be entitled to be reimbursed for the direct costs incurred with the new, additional or revised security requirements imposed on airport operators by the FAA on or after September 11, 2001.
2. **Expand eligibility of PFC and AIP to cover enhanced security measures to comply with FAA Emergency Mandate 107-01-01.** Congress should expand PFC and AIP eligibility to include any and all capital expenses and operation and maintenance expenses that are necessary for an airport to comply with the increased security measures resulting from the FAA Emergency Amendment 107-01-01 of September 12, 2001, and any subsequent amendments.
3. **Streamline PFC approval process.** In anticipation of reduced passenger traffic and corresponding reduced airport revenues, Congress should streamline the approval process for increasing the Passenger Facility Charge from \$3 to \$4.50 as authorized under AIR-21.
4. **Provide greater protection of PFC funds.** Congress should amend the Passenger Facility Charge statute to ensure that airports are equipped to collect these charges from the airlines, including segregated PFC accounting by airlines, segregated bank accounting for PFC receipts and preferential treatment in the bankruptcy process, including placing these funds in a Trust.
5. **Expand eligibility of PFC and AIP to cover the costs of replacing parking facilities and to cover necessary terminal reconfiguration(s).** Congress should allow public parking facilities that have been “lost” due to the recently implemented FAA AVSEC measure SCA-3 to be replaced with public parking facilities funded by Passenger Facility Charges and/or Airport Improvement Program grants. Likewise, Congress should expand PFC and AIP eligibility to permit terminal reconfiguration to accommodate non-ticketed individuals who will no longer be permitted through security checkpoints.

## **Economic Stimulus/Infrastructure Package**

DFW Airport strongly supports an economic stimulus package designed to enhance the Nation's infrastructure, including investments in rail, aviation, the environment, highways and transit. Because DFW Airport is in need of significant infrastructure improvements beyond those identified in its CDP, some of which are a direct result of the events of September 11, DFW Airport believes Congress should give serious consideration to assist in funding the following:

### **Security Projects**

1. **Acquiring mobile command vehicles and weapons of mass destruction decontamination response equipment.** This project will permit the acquisition of emergency response vehicles to ensure effective command and control and emergency medical response to mass casualty incidents. In particular, these vehicles would be designed and equipped to handle weapons of mass destruction with the ability to medically treat and decontaminate up to 600 victims. These vehicles and related equipment would cost approximately **\$2 million**.
2. **Hardening of terminal buildings.** This project will provide for the necessary structural enhancements and/or hardening of the landside exterior of the existing terminal buildings to provide for the appropriate mitigation of a potential blast threat due to the proximity of the existing roadway and parking facilities. Moreover, this investment will allow DFW to reopen the nearly 2,700 parking spaces lost to the security enhancements with a current estimated loss of annual revenue ranging from \$3 million to \$8 million. This project will also help ensure the rest of the terminal parking remains open to the traveling public should future security threats arise. The approximate cost based on existing square footage to be addressed is **\$50 million**.
3. **Constructing an Airport Emergency Operations Center.** This project will provide for the construction of a facility that will help ensure more effective and integrated communication and coordination of federal air carrier and airport emergency response efforts. This facility has been under consideration for several years and, in the wake of the tragic events of September 11, 2001, DFW Airport believes this facility should be constructed expeditiously. The construction cost for this center is estimated at **\$19 million**.
4. **Conduct electronic fingerprint criminal history background checks.** This project would provide the necessary equipment, supplies and cover the fees necessary to conduct electronic finger print criminal history checks on the 25,000 current Security Identification Display Area (SIDA) badge holders. The current estimated cost of this project is **\$966,000**.
5. **Enhanced surveillance equipment.** This project would upgrade and expand existing surveillance video systems to monitor DFW Airport, roadways, terminals, transportation facilities and other critical infrastructure areas. It would also include upgrading the three closed circuit surveillance system terminal monitoring rooms which are vital components to DFW Airport's Anti-Air Piracy Far 107 responsibilities associated with law enforcement support of passenger pre-board screening. The combined cost of this project is estimated at **\$2.6 million**.

6. **Enhanced perimeter fencing and AOA gates.** This project would enhance the perimeter of the Airport and Airport Operation Area gates by installing approximately 23 miles of razor wire and barbed wire to existing perimeter fencing at DFW Airport, would construct guard shacks to house officer at all AOA access points and would repair and upgrade existing gates and fencing where necessary. These improvements would help deter/prevent potential security breaches at an approximate cost of **\$1.1 million**.
7. **Expanding landside terminal buildings.** This project will expand the existing terminal landside areas at locations necessary to accommodate the increased population of non-passengers due to the new security requirements. This expansion would provide for additional seating and staging areas, restrooms and other necessary amenities to accommodate the increased load of people that must now remain outside the security checkpoints. The approximate cost, based on total square foot to be expanded, is **\$135 million**.
8. **Construction of an additional Public Safety station.** This project would construct a fifth Public Safety station on DFW Airport more centrally located in the heart of the central terminal area. Currently, the four existing stations are positioned strategically in areas of the airfield for quick response time to aircraft; with the addition of this facility, the new Public Safety station would provide significantly reduced response times for police, fire, and EMS responses in the Airport's terminals. The estimated cost of this facility is **\$8.3 million**.

### **Non-security Projects**

1. **Bringing rail onto DFW International Airport.** This project will provide passenger rail access to the DFW International Airport Central Terminal Area by connecting the regional rail system for both the Dallas and Fort Worth areas through the heart of the Airport. The interface between the regional rail system and the Airport will occur at a planned multi-modal station adjacent to the new International Terminal D that is already under construction. The full project is estimated to cost \$880 million, while phase I, bringing the Trinity Railway Express onto the Airport, double tracking the Trinity Railway Express line, and constructing two stations on Airport would cost approximately **\$410 million**. Since DFW Airport is the center of economic development in the region, the economic stimulus to the region, base upon full build-out, is anticipated to be \$2.2 billion, creating an estimated 15,500 direct and indirect jobs.
2. **Enhanced industrial wastewater collection system.** This project will expand the capacity of the existing industrial wastewater system to prevent surcharging of process water including glycol to receiving water of the United States. It also includes aeration of bodies of water on DFW Airport property to ensure protection of wildlife exposed to low concentration of glycol effluent. The estimated cost of this project is **\$9.8 million**.

## Bond Issues

DFW Airport recently embarked upon a \$2.6 Capital Development Program (CDP), which includes a variety of projects, including a consolidated international terminal, a new People Mover System and numerous airfield enhancement projects designed to improve safety, aircraft movement, accommodate passenger flow and reduce delays. In an effort to help fund these critical projects during this very difficult and uncertain period, DFW Airport proposes two tax relief initiatives that, if implemented, could result in more than **\$54 million in interest savings**. These savings would include \$33 million in short- and long-term interest savings on the CDP alone, and an additional \$21 million in interest savings on advance refundings.

1. **Recharacterize private activity airport bonds.** In light of the clear governmental functions that airports provide, the tax-exempt bond rules should be modified to exclude private activity bonds for airport facilities described in section 142(a)(1) of the Internal Revenue Code from the definition of private activity bonds for purposes of the advance refunding rules and for purposes of the alternative minimum tax. This change would apply to bonds, including refunding bonds, issued after the date of enactment.
  
2. **Allow advance refundings for all airport bonds.** Allow tax-exempt bonds to be issued to advance refund airport facility bonds if the refunded bonds were issued on or before September 11, 2001, and allow one additional advance refunding of refunded bonds that are not private activity bonds that were issued for airport facilities on or before September 11, 2001.

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### DFW Airport Disclosure

- Dallas/Fort Worth International Airport (DFW Airport) presents the following data solely for informational purposes.
- DFW Airport makes no assurances regarding the data provided by the airlines serving DFW Airport.
- Any forward looking statements herein represent the opinion of DFW Airport and are in no way statements of fact.
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