

**LYNCHBURG AIR TRAFFIC CONTROL TOWER (ATCT) CLOSING**  
**Interim-Phase Plan**  
**April 1, 2013**

The following outlines Lynchburg Regional Airport's (LYH) proposed interim-phase plan to maintain air traffic control services at LYH on an emergency, temporary basis for a period of up to one year. This plan is based on the Federal Aviation Administration's (FAA) March 22, 2013 decision to close 149 contract towers across the country, including the LYH tower. Our tower is currently scheduled to close on May 5, 2013.

**Background**

In early March, the FAA proposed to close 189 contract towers as part of its plan to meet the \$637 million in cuts required under federal budget sequestration. Subsequent to that determination, the FAA, under increasing airport industry pressure, announced that it would reconsider for closure those airports that could establish that continued operations of their tower would be in the "national interest." LYH submitted such justification to the FAA on March 13, 2013 citing several relevant arguments including high nuclear support service applications to both the military and civilian sectors, as well as various military training and support services provided at LYH. In response, on March 22, 2013 airport officials were notified by the FAA – without explanation – that LYH would remain on the list of contract towers to be closed. For Lynchburg and the surrounding area, this errant decision on the part of the FAA will prove to be particularly problematic and significant. Consider:

- LYH is much busier in terms of aircraft operations than both Roanoke (ROA) and Charlottesville (CHO) airports. In fact, in CY 2012 alone, LYH was more than *twice* as busy as ROA. (LYH 105,316 vs. ROA 49,062 vs. CHO 77,738).
- Of the 149 towers scheduled for closure, LYH is the 8th busiest airport in terms of aircraft operations and, among those eight, the only one with commercial airline service.
- Of the 24 contract towers that were reconsidered and will remain open, only two had more operations than LYH, and neither of those had any commercial airline service.
- Among the entire list of 251 towers in the FAA contract tower program, LYH was ranked 20th busiest in 2012.

**Emergency Request to the Virginia Aviation Board (VAB)**

At its regular meeting on March 25, 2013, the Lynchburg Regional Airport Commission approved a motion recommending that the airport pursue assistance from the Virginia Aviation Board (VAB) in an effort to keep the LYH tower open beyond May 5, 2013. Accordingly, airport staff have submitted a formal request to the VAB for LYH to be authorized to utilize its on-hand and unencumbered air carrier entitlement grant funds for the purpose of funding the operation of LYH's contract Air Traffic Control Tower (ATCT) based on the following conditions and limitations:

- LYH entitlement funds will be utilized on an emergency, temporary basis for a period of up to one year only.
- If federal funding is restored under the FAA's Contract Tower Program prior to that time, the use of LYH entitlement funds would cease.
- The airport would utilize these funds according to the standard formula for entitlement only projects, or 80/20.

The above is in recognition of the fact that Section 3.1.1.3.2 of the state Airport Program Manual specifically provides allowances for an air carrier airport's use of state entitlement funds for "projects outside of normal expenditures" (i.e., recurring operational costs) with the proviso that those outside funds utilized will be counted against new requests for state discretionary funding for a period of three (3) fiscal

years. Based on the extraordinary and unprecedented nature of this federal action, however, we would also request that for this use of state entitlement funds this condition not be imposed on LYH.

It is important (and also ironic) to note that a significant portion of the air carrier entitlement funds the airport has on hand, and will receive this coming fiscal year, are currently earmarked for construction of a new air traffic control tower in FY 2014. A portion of these very funds, therefore, are what airport staff propose to utilize in order to keep our tower open, but will not impact the airport's ability to go forward with construction in 2014 assuming LYH is still a towered airport.

### **LYH Entitlement Funds Available and Projected Costs**

It is anticipated that the current number of hours that the LYH tower operates under the current FAA contract will be reduced under this interim plan based on an evaluation of peak-hour demand. The City proposes to enter into a contract for controller services with Midwest Air Traffic Service, Inc. (the current FAA contractor at LYH) under standard industry terms and conditions. They have confirmed their willingness to enter into an agreement on a month-to-month basis. The following outlines available LYH entitlement funds on hand and approximate costs:

- The airport's current entitlement fund balance is \$621,968.13.
- In addition, the airport is currently adding to its entitlement fund balance through the imposition of a Passenger Facility Charge (PFC) under authority of the FAA that generates approximately \$25,000 per month, or \$300,000 per year in converted entitlement funds.
- It is estimated that the total monthly expenses for providing our own contract tower controllers, including related utilities and equipment maintenance services, will be approximately \$40,000 per month (based on a reduced-hours scenario).

### **Potential Impacts from ATCT Closure**

Without a doubt, the closure of the LYH air traffic control tower will have a significant impact on the central Virginia region. For example, according to the Virginia Department of Aviation's own economic impact study conducted in 2011, Lynchburg Regional Airport is directly responsible for over 200 jobs and represents total economic activity of more than \$100 million annually to the area.

Of course, a major concern if the tower closes is its effect on scheduled airline service at LYH. Already, airport staff have fielded calls from concerned air travelers about the safety of flying commercially from LYH without an ATCT, and our fear is that potential passengers will begin to avoid booking from LYH due to these concerns. That, in turn, could result in fewer advance bookings and lower passenger loads, culminating in LYH being a less profitable station for US Airways.

For the airport directly, airport staff have estimated that the airport could conceivably suffer a loss of 100 jobs or more. Equally dramatic, the airport would also lose some 80 percent of its base operating revenues, and nearly \$2 million in annual federal entitlement, state entitlement and Passenger Facility Charge capital project funds.

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As I mentioned earlier, the fact that LYH is the busiest airport among the 149 scheduled for closure with commercial airline service puts us in a more critical category than any other in terms of our immediate need to maintain a reasonable level of ATCT services. Clearly, this airport's diverse mixture of a high level of flight training operations, corporate traffic, military training and commercial airline service

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makes our case particularly compelling. The ability to use our airport's air carrier entitlement funds in the way outlined above clearly represents a very viable short-term solution to this problem.

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