

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With ALEC EXPOSED, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Statement on Aviation Funding

Aviation is a key component of a balanced transportation system and is vitally linked to regional growth and economic development efforts. The development and preservation of a balanced system of airports, which is responsive to the needs of all sectors of the nation, is the mutual responsibility of federal, state and local governments.

FINANCE

Current aviation sources have not provided the necessary funding to meet identified capital development needs, particularly at small airports. This under investment in our nation's aviation system has negative safety, capacity, and economic repercussions. The following recommendations regarding aviation financing are to be viewed as a comprehensive package and not as individual parts to be implemented piecemeal.

- The Airport and Airways Trust Fund, financed by existing dedicated user taxes and charges, should be retained and utilized as the primary method of funding federal-aid aviation projects. As a means of ensuring full expenditure, the American Legislative Exchange Council (ALEC) supports the removal of the Trust Fund from the federal unified budget. ALEC supports a mechanism to guarantee that all revenue dedicated to the Trust Fund is spent each year for its intended purpose. Aviation programs financed by Trust Fund revenue should be classified as "mandatory" spending and operate as a "pay-as-you-go" program. The current spending caps and categorization imposed on domestic discretionary programs are causing arbitrary funding reductions in important state aviation programs.
- Recognizing the safety, security, economic, and other broad public benefits of the services provided by the Federal Aviation Administration, ALEC supports a continuation of a General Fund contribution, due to military and federal usage of airport facilities and services, and for aviation sectors not required to pay their fully allocated costs.
- Federal aviation taxes are acceptably structured to equitably distribute the financial burden on all users. All aviation user fees should be directed to the Airport and Airways Trust Fund and should accrue to the benefit of aviation users. Federal aviation fees collected from airline ticket taxes should not be diverted to non-aviation purposes. ALEC supports federal grant assurance provisions barring diversion of airport revenue to non-airport purposes.
- The Airport Improvement Program (AIP) is the linchpin of airport Federal financial planning and must be funded adequately on a reliable basis in order to meet the substantial capital needs of the nation's airports and airways. ALEC believes that the AIP must be fully funded at a minimum level of \$2 billion annually on a multi-year basis to help support needed a multi-year safety, security, capacity and noise projects. Authorization would provide a stable and predictable federal funding source for airport capital development and eliminate the current uncertainty and start-and-stop nature of airport development and construction. Flexibility in the prioritization and administration of funds should be provided to the states. Statutory or regulatory barriers to state and locally-granted revenues should be removed.
- State Apportionment funds should be increased to fund essential planning activities. Funding should be available to states from the Trust Fund for aviation-related transportation planning activities.
- ALEC supports the creation of a separate aviation budget category which is no longer subject to budget caps; and the actual expenditure of all Aviation Trust Funds, including surplus balances on aviation needs. Surplus trust fund revenues could be allocated to the AIP.
- ALEC supports the continuation of Passenger Facility Charges (PFCs) as a supplementary revenue source to finance airport needs, only after all surplus trust funds are expended. Proceeds generated from PFCs should be permitted for financing projects which preserve or enhance safety, security, capacity, and noise mitigation.
- Federal tax laws should continue to exempt airport municipal bonds from federal taxation.
- ALEC supports the use of innovative financing methods, such as state infrastructure banks and revolving loans, whenever possible to allow states to meet the funding needs of smaller airports. The creation of such programs to address state needs outside the existing program framework should be treated as a viable option for supplementing current funding levels.

Did you know that global corporation Kraft Foods was the corporate co-chair in 2011?

ALEC's Corporate Board

—in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

STATE BLOCK GRANT PROGRAM

As this program has been shown to eliminate waste and duplication, increase efficiency, and cut federal costs, the state block grant program should be extended and expanded

so that all states are eligible to participate. ALEC believes that the program should be structured to allow states the maximum flexibility in the administration of grants.

DEVELOPMENT

ALEC supports a coordinated national plan of development as long as state plans for investment are included. As part of the development of the National Airspace System Architecture, the Federal Aviation Administration (FAA) should make every effort to consider state input.. The economies of many parts of the country are dependent on the modernization of the nation's aviation system. Federal policies should support state efforts to address capacity problems through expansion. ALEC supports the increased use of former and current military airports to provide immediate capacity relief for the aviation system.

REGULATION

ALEC supports efforts to increase airport capacity and competition within the airline industry. However, ALEC remains concerned over the preservation of state authority over certain airline actions and practices.

- Federal preemption of state regulatory authority over air carriers should not be extended to include the surface transportation component of an air carrier's operations.
- ALEC supports the continued deregulation of the commercial aviation industry, and opposes efforts to reregulate the industry, thru either legislation or federal agency rules.

FEDERAL-AID PROGRAM

- Federal support for research and development of facilities and equipment should be increased to meet the demands of the next century's air travelers. Reforms in the FAA technology procurement process should be considered.
- While ALEC opposes any and all federal mandates and preemption, federal funding should be made available to offset the costs of current federal mandates imposed on airports relative to security and the environment.

*Adopted by ALEC's Trade & Transportation Task Force March, 1999. Approved by full
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