STATE OF HANSCOM

March 18, 2003

INTRODUCTION

In 1941, the state purchased land northwest of Boston, primarily in Bedford, for the purpose of building an airport. Later that year the General Court recommended designating the Bedford airport Laurence G. Hanscom Field (BED), although there are accounts that indicate the formal dedication did not actually take place until 1943.

The airport is owned and operated by the Massachusetts Port Authority (Massport). Massport is an independent, financially self-sustaining, public authority that provides for the growing transportation needs of Massachusetts and New England by developing, promoting and managing airports (Logan, Hanscom, and Worcester), the seaport, and the Tobin Bridge as customer-oriented gateways to New England. This is done while maximizing safety, security, and environmental sustainability. Massport must anticipate and accommodate changes in the region's economy to ensure that businesses have the transportation facilities they need to compete successfully in the global marketplace in the 21st century.

Hanscom Field is a full-service airport, accommodating general aviation and limited commercial service. The Bedford airport is a first class facility that plays an important role in the regional transportation system by providing an excellent alternative for general aviation activity that might otherwise go to Logan, including private, business, charter, cargo, and air taxi operations. The airport also handles commuter service, and is an important resource for Hanscom Air Force Base, a research and development military facility abutting the airfield.

At the beginning of each year, Massport prepares the *State of Hanscom*, which is presented to the Hanscom Field Advisory Commission (HFAC), a legislatively created body comprised of representatives from the aviation community, the surrounding residential areas, and area-wide organizations. Ad Hoc members include representatives from Hanscom Air Force Base, the Federal Aviation Administration and Minute Man National Historic Park. The presentation to HFAC provides a wide range of interested parties with an opportunity to openly discuss the Bedford airport's role in the regional transportation system and Massport's objectives for the airport. The *State of Hanscom* reviews the airport's operational activity, financial performance, and economic benefits, and it discusses Massport's 2002 accomplishments at Hanscom, as well as plans for its future.

Hanscom Field plays an important economic development and job-creating role in the region and is a valuable resource for the business community. In FY00, the last time the Bedford airport's economic impact was calculated, it was estimated that Hanscom generated $110.6 million from direct, indirect, and induced sources.

The airport's activity levels have historically been closely aligned to the economic health of the high technology industry in Boston's Route 128/95 area. However, in looking at Hanscom's 2002 aircraft activity levels and fleet mix, it is evident that post September 11, 2001 shifts in the aviation industry counteracted the general economic slowdown. In 2002, there was a 6.2 percent increase in the Federal Aviation Administration's (FAA) tower count of 7 a.m. to 11 p.m. activity, and business jet traffic increased almost 35 percent, as compared to 2001.

Massport's fiscal year (FY) begins on July 1 and ends on June 30, so Hanscom's FY02 financial performance was influenced by September 11, 2001. In FY02, operating expenses decreased three percent, while revenues increased almost 14 percent, reaching $4.6 million. As a result, the operating surplus rose from approximately $36,000 in 2001 to $728,000 in 2002. Adding in amortized expenses, Hanscom ran at a deficit of approximately $880,000, a decline of almost 35% as compared to FY01.

Consistent with aircraft activity increases, Hanscom Field's 2002 events and accomplishments demonstrate that the general downturn in the economy had a minimal impact on the airport, while the events of September 11, 2001 generated a new interest in general and business aviation as an alternative to flying commercially. During the year, the last of several conventional hangar development projects became operational, while other developers expressed interest in new projects that support general aviation. Shuttle America, the airline that brought commuter service back to Hanscom in September 1999, maintained a steady presence, and Boston-Maine Airways started limited service in 19 seat aircraft.

Although Hanscom escaped the negative effects of the economic slowdown and experienced an increase in aircraft activity levels after September 11, 2001, the events of September 11 resulted in significant revenue losses at Massport's other facilities. In addition, Massport had to absorb substantial security costs authority-wide. On an immediate basis, Massport postponed many maintenance and improvement projects at all of its facilities, while ensuring that environmental programs and plans critical to safety, security, and efficiency remained in place or were implemented. By the end of 2002, some of the projects that were deferred were again moving forward.

Looking to the future, Massport will continue to operate the Bedford airport in a manner that serves the public safely and efficiently in a fiscally responsible manner. This includes maintaining the airfield and meeting FAA certification, security, and safety requirements, while working towards a sustainable environmental approach to managing the airfield and working with, and being sensitive to, the surrounding communities.

Hanscom Field is a significant resource for air transportation in eastern Massachusetts. The aviation and residential communities and Massport must work together to develop this resource in a manner that minimizes its impact on the surrounding environment while allowing it to fulfill its regional transportation responsibilities.

SECTION I - 2002 AIRCRAFT ACTIVITY

Table 1 shows total aircraft activity levels at Hanscom Field (BED) for 7 a.m. to 11 p.m. operations in 2001 and 2002 based on FAA tower data and fleet mix data and estimates. The 2002 information is preliminary and will be thoroughly reviewed before publication of the 2002 noise report.

TABLE 1
Hanscom Field Aircraft Activity

2001

FROM FAA TOWER REPORTS & ESTIMATES (7 A.M.-11 P.M)

	CIVILIAN						MILITARY	
	LOCAL	SINGLES	TWIN PISTON	TURBO	JET	HELI		TOTAL
January	5370	5676	305	1229	1711	573	79	14,943
February	4456	4782	272	1127	1701	522	68	12,928
March	5796	5830	303	1182	1716	568	73	15,468
April	7402	8413	257	1115	1786	552	135	19,660
May	7974	8923	341	1117	1765	572	173	20,865
June	8341	9398	389	1076	1781	558	134	21,677
July	8671	10459	296	1001	1344	595	133	22,499
August	8464	9317	511	1113	1597	593	136	21,731
September	2854	4935	435	769	1747	233	53	11,026
October	3836	5741	719	1356	2865	63	76	14,656
November	3816	5444	553	1354	2636	79	126	14,008
December	5625	5885	477	1141	2190	591	66	15,975
TOTAL	72,605	84,803	4,858	13,580	22,839	5,499	1,252	205,436

2002

FROM FAA TOWER REPORTS & ESTIMATES (7 A.M.-11 P.M)

	CIVILIAN						MILITARY	
	LOCAL	SINGLES	TWIN PISTON	TURBO	JET	HELI		TOTAL
January	5787	5140	384	1148	2455	600	108	15,622
February	5602	6046	370	1249	2580	530	77	16,454
March	6762	6109	416	1381	2686	577	67	17,998
April	6646	6878	485	1396	2776	570	146	18,897
May	6716	7569	458	1334	2884	580	169	19,710
June	6179	7631	525	1346	2547	588	226	19,042
July	8014	8640	517	1372	2208	619	128	21,498
August	7680	9068	481	1323	2238	598	121	21,509
September	7012	7512	458	1273	2410	616	139	19,420
October	6380	7699	484	1063	2898	591	108	19,223
November	4908	4921	360	924	2662	555	79	14,409
December	5163	5052	369	802	2444	580	56	14,466
TOTAL	76,849	82,265	5,307	14,611	30,788	7,004	1,424	218,248

Note: The 2002 figures are preliminary. All 2002 data will be reviewed before publication of the 2002 annual noise report.

The data in Table 1 show 218,248 operations for 2002, a 6.2 percent increase as compared to 2001. This is the highest total since 1990, when there were 232,678 operations. Although total operations exceeded 200,000 four times in the past ten years, they were well above 200,000 from 1963 to 1992, and they exceeded 300,000 in 1970.

In 2002, the civilian portion of the aircraft operations comprised 99 percent of the total. The estimates for single engine piston aircraft indicate that they conducted 73 percent of the total aircraft activity, an increase of one percent as compared to 2001. Touch-and-go activity ("Local" in Table 1) comprised slightly less than half of the single engine piston operations. Each touch-and-go consists of a practice landing and take-off and is counted as two operations. Touch-and-goes are not allowed in aircraft over 12,500 pounds at Hanscom, and they are most commonly conducted by flight schools using single engine piston aircraft.

The estimated twin engine piston aircraft activity increased 9.2 percent, as compared to 2001, and represented 2.4 percent of the 2002 aircraft activity. Estimated helicopter operations represented 3.2 percent of the total and increased 27 percent as compared to 2001.

Helicopter, single engine piston, and twin engine piston aircraft activity levels were particularly impacted by the FAA restrictions on visual flight rule (VFR) operations that were implemented between September 11 and November 28, 2001. Most small aircraft fly VFR. Without those restrictions it is reasonable to assume that the activity by these aircraft in 2001 would have been closer to that experienced in 2002.

Pilots of turboprops and jets are generally trained to fly Instrument Flight Rules, so the post-September 11, 2001 VFR restrictions had little or no effect on operations by these aircraft. Another impact of September 11 was a surge in travel using business aircraft as an alternative to traveling on commercial flights. This had its greatest effect on jet traffic. Hanscom's turboprop operations were also influenced by the airport's commuter services, since the commuter airlines use turboprops.

In 2002, turboprop aircraft comprised 6.7 percent of the total activity, and operations by turboprops increased 7.6 percent as compared to 2001. Almost half of this increase resulted from the three percent increase in commuter airline activity. There were 6603 commuter flights in 2002. These included operations by Boston-Maine Airlines, which joined Shuttle America during the second half of the year in providing commuter service to a variety of locations. Boston-Maine operated on an as-needed basis, only stopping when there were booked passengers flying to or from the airport. Commuter operations represented 3.0 percent of the total 2002 aircraft activity.

The two airlines carried 67,688 passengers in and out of the Bedford airport in 2002, a 50 percent decrease as compared to 2001. The passenger decrease was influenced by Shuttle America's switch from 50 seat aircraft to 33 passenger aircraft during the final months of 2001. Boston-Maine Airlines operated 19 passenger aircraft.

Civilian jet aircraft activity, accounting for 14 percent of the 2002 operations, increased almost 35 percent as compared to 2001. After September 11, the increase in operations by business jets

was greater than increases in any other category of aircraft as businesses turned to private aircraft, charters, or fractional ownership of business aircraft.

The 2002 noise report will be prepared later in the year and will be presented to HFAC. It will include a more detailed analysis of operations as well as a full analysis of the noise exposure.

SECTION II - FINANCIAL RESULTS FOR FISCAL YEAR (FY) 2002

Operating L. G. Hanscom Field (BED) with a balanced budget has been a challenge since 1974 when Massport assumed responsibility for maintaining the airport. From FY93 through FY97, the airport's deficit exceeded $2 million annually. This resulted from the continued need to address aging facilities and equipment while aircraft activity decreased because of the slowed economy. Increased efforts to control Hanscom's deficit, combined with an improved economy, produced annual decreases in the deficit from FY97 through FY00 and a balanced operating budget for the last three years.

Table 2 on page 6 outlines Hanscom's financial performance from FY99 through FY02 and includes financial projections for FY03. FY02 revenues totaled over $4.6 million, exceeding projections by approximately $700,000. The 13.9 percent increase in revenues, as compared to FY01, was primarily due to one-time revenue receipts, including a grant from the federal government for security. These are included under Commissions, which increased 83 percent as compared to FY01.

Operating expenses decreased three percent as compared to FY01 because of a decline in the indirect costs charged against Hanscom. Direct expenses increased, primarily because of increased security costs. The light winter of 2001-2002 helped avoid an even greater increase in FY02 direct expenses as compared to FY01. The decrease in operating expenses (direct and indirect) coupled with the increase in revenues resulted in an operating surplus of approximately $728,000. This was up from $36,000 in FY01.

The FY02 amortization costs increased 16.5 percent as compared to FY01. When amortization is added to the operating surplus, there is a deficit of approximately $880,000. This is a decline of 34.5 percent as compared to FY01.

Table 2 also outlines a projected budget for FY03. In this scenario, the operating budget again goes into the red, and the total deficit exceeds $2 million. In an effort to cover costs at Hanscom, Massport’s business office is developing proposals to increase rates and charges based on the costs incurred by Massport. The increases will focus on landing fees and fees for tiedown space, T-hangar leases, and aircraft parking. The landing fee will be applied to transient aircraft as well as commercial operations, and a parking revenue system for vehicles may be installed. Massport will also be reviewing office space rates in the local area to determine whether there should be increases in the civil terminal rents.

Table 2

Massachusetts Port Authority

Hanscom Field Historical Financial Summary

FY98-FY02

(000s omitted)

REVENUES	FY99	FY00	FY01	FY02	*Projected* FY03
RENTALS					
Hangar / Cargo	$899	$957	$1,152	$1,265	$1,356
Ground/Land	551	771	761	752	552
Terminal	329	371	375	446	420
Other Exclusive Space	27	26	27	27	10
Utilities	91	101	101	109	100
SUBTOTAL	1,897	2,226	2,416	2,599	2,438
FEES					
Fuel Flowage	507	616	695	767	657
Tie Downs	158	152	152	139	138
Landing & Parking Fees	4	42	52	57	75
Night Field Surcharge	210	268	313	262	400
SUBTOTAL	879	1,078	1,212	1,225	1,270
COMMISSIONS					
Rental Cars	61	127	299	180	180
Flight Schools	5	4	1	0	1
Ground Servicing	92	129	131	423	168
Other	8	15	14	212	187
SUBTOTAL	166	275	445	815	536
TOTAL REVENUES	**2,942**	**3,579**	**4,073**	**4,639**	**4,244**
OPERATING EXPENSES					
DIRECT					
Maintenance	958	833	1,197	1,241	1,286
Administration	814	845	947	906	940
Utilities	157	213	191	259	250
SUBTOTAL	1,929	1,891	2,335	2,406	2,476
INDIRECT					
Insurance	95	93	109	129	440
Professional Fees	55	177	360	82	200
Security	310	446	426	484	635
Other**	323	384	370	382	385
General & Administration	419	401	437	428	454
SUBTOTAL	1,202	1,501	1,702	1,505	2,114
TOTAL OPERATING EXPENSES	**3,131**	**3,392**	**4,037**	**3,911**	**4,590**
OPERATING SURPLUS/DEFICIT	**(189)**	**187**	**36**	**728**	**(346)**
AMORTIZATION	1,296	1,366	1,380	1,608	1,908
TOTAL COSTS (oper.+amortiz.)	**4,427**	**4,758**	**5,417**	**5,519**	**6,498**
SURPLUS/DEFICIT	**($1,485)**	**($1,179)**	**($1,344)**	**($880)**	**($2,254)**

Figures may not add exactly due to rounding.

**Other includes expenses such as electrical maintenance, engineering and environmental costs

FY=fiscal year (FY03: July 1, 2002 - June 30, 2003)

SECTION III - ECONOMIC BENEFITS OF HANSCOM ACTIVITY

Hanscom Field (BED) operates as a full service airport, serving the diverse flying needs of individual pilots and local employers including high technology corporations, research and development firms, educational institutions and commuter airlines. Access to general aviation facilities has been identified as a major consideration in the location decisions of businesses that rely on these services.

Last year, Massport invested almost $3.8 million in airfield, terminal and other facility improvements at the Bedford airport. Cumulatively, approximately $39.3 million has been spent on completed capital projects at Hanscom since 1959.

In the past, Massport has conducted an economic analysis of Hanscom to estimate the economic benefits of the airport. This was last done for FY00 when it was determined that the Bedford airport had over 500 employees. It was estimated that FY00 activity at Hanscom generated economic benefits of almost $110.6 million when all the direct, indirect and induced economic benefits of the airport were considered.

SECTION IV - 2002 ACCOMPLISHMENTS AND 2003 OBJECTIVES

Massport's primary responsibility at Hanscom Field (BED) is to maintain a safe, secure, and efficient airport. Massport recognizes the importance of providing facilities to ensure the Bedford airport is a first class full service airport. An important component of Massport's commitment is to operate the airport while minimizing the environmental impact of its operations. Improvements are made in accordance with these guiding principles. Massport continually seeks the appropriate balance in supporting business needs while operating the airport in an environmentally responsible manner. This is done by coupling maintenance and improvements at the airport with a variety of environmental initiatives, programs, and policies.

Maintain and Improve Airfield

(a) Annual Airfield Improvement Program

Certain projects that are part of maintaining a safe and efficient airfield are eligible for federal funding as part of the Federal Aviation Administration's (FAA's) Airfield Improvement Program (AIP). Each year Massport submits projects for FAA funding approval.

2002: The pavement grooving on Runway 5/23 was completed. Design work for resurfacing Taxiway Echo and portions of Taxiway Juliet was completed, and the contract was awarded. Design work for reconstructing Taxiway Tango and replacement of airfield in-pavement lighting was initiated. In addition, Massport received the FAA's written acceptance of Massport's recommended Runway Safety Area (RSA) alternative for Runway 5/23 (submitted to the FAA in

March 2001), which will involve regrading turf on both sides of the Runway 23 overrun. The project is not a runway expansion and does not require any additional pavement.

2003: The reconstruction project for Taxiway Echo and portions of Taxiway Juliet will be completed, and work on Taxiway Tango and airfield in-pavement lighting will probably be completed before the end of the year. Massport will begin the preliminary design and environmental permitting process for the RSA project. It is anticipated that the latter will include wetland impacts at the Runway 23 end, which will trigger meeting with the Bedford Conservation Commission.

(b) Clear Zone Obstruction Removal

A critical component of maintaining compliance with FAA certification and safety requirements addresses clear zone obstructions, and it is paramount that Massport removes vegetation that is penetrating, or close to penetrating, runway approach surfaces. Historically, a vegetation removal project has been required every five years. Based on a 1999 obstruction analysis using aerial photogrammetric mapping of the runway ends, it was determined that vegetation removal from uplands and wetlands is necessary at all four runway ends in all four towns.

Following state guidelines in the *Generic Environmental Impact Report (GEIR) for Vegetation Removal at Public Use Airports* and the *1999 GEIR/Generic Environmental Notification Form Update*, Massport drafted a Vegetation Management Plan (VMP) in 2001, which includes the identification of two phases of project-specific vegetation removal that is needed in the near future. Massport also delineated the wetlands that will be affected by the Phase 1 vegetation removal identified in the VMP. Subsequently, the Conservation Commissions in the four towns approved the Abbreviated Notices of Resource Area Delineation to verify the wetland boundaries.

The VMP recognizes the value of controlled burns, and in the past controlled burns have been used to control vegetation growth in some upland areas on Massport land in Concord. The burns have been conducted with the encouragement of the Concord Natural Resources Commission; the Air Force participated and the Minute Man National Historic Park sent staff to observe.

2002: Massport finalized the VMP, and using the 2001 approved wetland boundaries, Massport submitted Notices of Intent (NOIs) to the Conservation Commissions in the four towns for the VMP's Phase 1 vegetation removal that impacts wetlands. In response, all four towns issued Orders of Conditions; however, Massport appealed the Bedford Order to the Department of Environmental Protection (DEP) because of its lack of specificity and clarity. In addition, an activist group appealed both the Bedford and Lexington Orders on the basis that the VMP did not qualify under the "limited project" provisions outlined in the state's regulations.

Although the vast majority of required vegetation removal in Phase 1 is on Massport property, there are some penetrations located off Massport property. Massport worked with the abutting property owners who will be impacted by the project. Also, previously burned areas were evaluated, and it was determined that additional burning was not yet necessary. However,

burning continues to be viewed as a positive mechanism for controlling growth, and potentially creating grassland areas.

2003: Massport expects that the issues related to the appeals of the Orders of Conditions will be resolved, or DEP will issue superceding Orders of Conditions for Lexington and Bedford. Once Massport has either Orders without pending appeals or superceding Orders, the Phase 1 vegetation removal will proceed. Wetland work will be done during the dry summer months of 2003 and/or the winter months of 2003/2004.

The Phase 2 vegetation removal project identified in the VMP affects Bedford's Hartwell Town Forest and Jordan Conservation area because some trees in these areas penetrate or are close to penetrating the Runway 23 approach surfaces. The VMP indicates that a management plan for this area will be developed with the Town of Bedford. In 2003, Massport will work with the Town of Bedford to begin determining the best approach for addressing this issue. Additional NOI filings are anticipated for Phase 2 vegetation removal, although no schedule has been set at this time.

If conditions warrant, Massport will continue to work with the Concord Natural Resources Commission to develop prescribed burns that reduce the extent of future vegetation penetrations. Results of previous burns will be evaluated to determine the most advantageous schedule for the future.

(c) Airside Maintenance

In 2001, a three bay extension with direct access to the airfield was designed for the existing field maintenance building. The design addressed the need for sheltered storage for Hanscom's maintenance equipment and additional sand storage capacity, as well as the need to have sand more readily available to the equipment using it and to the airfield, where it is applied during snowstorms. Additional space is needed in the field maintenance garage because 1) FAA approved sand used during snow removal operations is currently stored in an undersized landside facility, and 2) large snow removal and maintenance equipment is currently stored outside, exposed to the elements.

2002: Due to major adjustments in Massport's Capital Program instituted after September 11, 2001, construction of the maintenance garage extension, the only new airside construction originally scheduled for FY02, was postponed until FY04.

2003: Funding for the maintenance garage extension will be available starting in July 2003. The design completed in FY01 will be reviewed and potentially adjusted by Massport staff, and construction is anticipated for the summer or fall. In addition to the garage extension, a portion of the airfield perimeter road will be designed to connect the end of Runway 29 to Taxiway H, and it will be determined whether permitting will be required. This road will allow service vehicles to access an area in the northeast portion of the airfield that Massport has identified for potential T-hangar development.

In response to recent requests from tenants about using deicing agents, Massport's Environmental Management Unit is studying the potential use of FAA approved runway and taxiway anti-icing and deicing products. A report will review the options for runway and taxiway anti-icing and deicing, evaluate their environmental effects, and include discussion of the effects of the aircraft deicing that is currently conducted by tenants on the field. The report will be presented to HFAC in the late spring of 2003, and the next steps will be determined after the results of the study are available.

Maintain and Improve Facilities

Maintenance and responsible development of the facilities, while constantly adjusting to changes in the aviation industry, are critical to the continued ability of the Bedford airport to play its role in the regional transportation system. Meeting the needs of new and existing tenants and their customers, and anticipating future needs, are important and challenging components of these goals. In addition, incorporating more stringent security requirements became critical after September 11, 2001.

In its general aviation role, Hanscom accommodates private pilots, flight schools, and small airport-related businesses, as well as companies providing services to aircraft operators, such as the Fixed Base Operators and aircraft maintenance facilities. Two of the most critical needs identified for Hanscom's general aviation tenants are more conventional corporate hangars and additional T-hangars for the more than 180 customers on a waiting list. Massport has two vacant hangars that are on sites available for development. The Hangar 1 site is on the west side of the terminal area; Hangar 24 is in the Pine Hill area on the southwest side of the field.

In addition to accommodating general aviation, Massport's 1980 Rules and Regulations for Hanscom allow commuter service in aircraft with no more than 60 seats. In the fall of 1999, Shuttle America restored commuter service at the airport, and the service grew until early 2001. This was followed by service reductions while Shuttle America reorganized under Chapter 11. By the end of 2001, Shuttle America had a financial partnership with Wexford Capital and a marketing agreement with US Airways. In 2002, Shuttle America continued to operate out of the Civil Air Terminal and was joined by Boston-Maine Airways during the summer and fall. Accommodating commuter service requires Massport to continually assess the airlines' needs, particularly as they relate to the Civil Air Terminal.

2002: To address the need for conventional hangar space, Massport issued a Request for Proposals (RFP) in the fall of 2002 for third party development of the Hangar 1 site. No proposals were received. Security issues related to T-Hangar access resulted in delaying a RFP for T-Hangar development. At the same time, assessing measures to address security concerns became a high priority. Equipment for an ID badging system, which will eventually allow access control, was purchased, policies for the ID badging system were developed, and installation of new security fencing around the terminal area began before the end of the year.

Fiscal constraints following September 11, 2001 delayed most maintenance projects and in some cases resulted in scaling back a project from that which was originally envisioned. Bids for

resurfacing the civil air terminal parking lot were solicited. The project includes the underground infrastructure for a revenue parking system, but it was determined that the revenue parking system would not be installed at this time. First floor civil air terminal renovations for customers and tenants, including Shuttle America and Boston-Maine Airways, were limited to those that could be provided by Massport employees. This included making adjustments to accommodate required security equipment used by the airlines. A project to replace the terminal's single pane windows with double pane windows was limited to the second and third floors of the building's north side.

2003: Parking lot resurfacing and installation of security fencing is scheduled for the spring of 2003. The fencing project will include the installation of trap gates at airfield access locations. There are plans to upgrade the civil air terminal lavatories, replace the terminal's south side windows on the second and third floors with double pane windows, upgrade a portion of the HVAC units in the terminal, repair T-hangar roofs, and explore a low-cost parking revenue option for the parking lot. In addition, with shifts in tenancy on the second floor of the terminal building, there may be renovations to ensure that all tenants on that floor continue to have two means of egress.

The ID badging system will be implemented early in the year, and steps will be taken to add an access control system, which will reduce costs being incurred to provide escorts on the field. All security measures will continue to be reviewed, with appropriate adjustments being made, as warranted. FAA funding of eligible security measures will be pursued.

U.S. Customs informed Massport in December of 2002 that, in order to meet federal requirements, it needs to assign a staff member to Hanscom rather than provide on-call services. This means Customs needs space designated for its exclusive use. A modular building will be placed on the East Ramp on a temporary basis to meet U.S. Customs' immediate needs. A user fee will be charged for aircraft using Customs' services to pay for the facility and staffing.

To address the need for additional corporate hangar space, Massport will continue to evaluate the best uses for the Hangar 1 and Hangar 24 sites, both of which are available for development. This will include encouraging and reviewing third party development options. To address the need for additional T-hangar space, an RFP will be issued for third party development of T-hangars on the northeast side of the airfield.

Massport will also continue to consider the role it might play in the future use of the Raytheon facilities, which were vacated in 2000. The land, owned by the U.S. Navy, is in Bedford and is contiguous with Massport's property. The hangar abuts the airfield, and the office building is on a hill overlooking the airport.

Monitor and Respond to Environmental Issues

(a) Environmental Programs and Audits

Massport has consistently maintained high environmental standards while complying with state and federal environmental regulations. In 2001, Massport brought its environmental

commitment to a new level when Hanscom Field became the first U.S. airport to become ISO 14001 certified. To become certified, Massport developed and implemented an Environmental Management System (EMS) that meets international performance standards. The EMS provides a framework that fosters the use of environmentally sustainable practices and creates an auditable system for tracking, managing, and improving environmental performance. The EMS facilitates environmental compliance, encourages strategic environmental thinking during business and planning processes, and promotes environmental awareness.

2002: The EMS fostered a renewed effort to encourage recycling at the Bedford airport. At the same time, the Town of Concord was trying to establish adequate participation in a commercial recycling initiative. By combining efforts, both entities were able to develop a paper and cardboard recycling program. All Hanscom tenants were invited to participate, and Concord, using its grant funding, donated 60 bins for airport participants. It was an immediate success, with cost savings created by a reduction in solid waste pickups at the airport, and has become part of the on-going environmental programs at the airport.

The Massachusetts State Sustainability Program was established on July 23, 2002 (Executive Order 438), and Massport actively participated in this initiative. This program will work to ensure that state government remains in compliance with all environmental laws and regulations, while serving as a model by promoting sustainable practices that reduce the state's environmental impact and save taxpayer dollars.

As part of Massport's environmental commitment, the Environmental Management Unit continued to monitor and audit activities at Hanscom to ensure the use of pollution prevention practices and compliance with environmental regulations. Programs that are on-going include:

- Tracking, managing and improving environmental performance through the EMS;
- Monitoring the condition of all Massport fuel storage tanks to ensure proper functioning and regulatory compliance;
- Inspecting Massport and tenant facilities to ensure environmental compliance;
- Reviewing the Spill Prevention Control and Countermeasure (SPCC) Plan, which outlines steps to be taken by Massport employees in the event of a spill of fuel or hazardous materials (Note: In 2002, there were no reportable spills at Hanscom Field.);
- Implementing, and encouraging tenants to utilize Best Management Practices (BMPs) as discussed in the National Pollutant Discharge Elimination System (NPDES) multi-sector permit for stormwater discharges at Hanscom Field;
- Conducting regular inspections of Massport's outfall locations for indications of water quality issues;
  Participating in the Clean State Initiative (under Executive Order No. 350), which was established in 1993 to direct state agencies to achieve environmental compliance and develop pollution prevention measures for their facilities.

Massport also continued its commitment to improving stormwater runoff control. If a project results in an increase in impervious surface, Massport requires compensatory storage for stormwater in order to avoid increasing peak run-off rates.

2003: Massport's Environmental Management Unit and Hanscom staff will continue to use the EMS as the basis for tracking, managing and continually improving environmental performance. Targets will be updated as target dates are reached or when opportunities arise for improving the EMS framework. Staff will continue to monitor and audit Massport and tenant activities at the Bedford airport and will discuss issues with the responsible parties to facilitate compliance with environmental regulations and permitting requirements. Massport will continue to support all of its on-going environmental commitments, including active participation in the state's environmental programs.

(b) Management of Massachusetts Contingency Plan (MCP) Sites

Currently, there is one active DEP-listed disposal site located at Hanscom Field that is being brought to regulatory closure under the MCP. Massport is listed as the potentially responsible party (PRP) for the site, located adjacent to the Massport Field Maintenance Garage. This site was originally assigned Release Tracking Numbers (RTNs) 3-13953 and 3-17349 by DEP; however, they have been combined, and Massport is following the interim deadlines of the earlier RTN 3-13953. Several rounds of subsurface investigation have been conducted on this site in order to define the nature and extent of contamination.

Cleanup of this site is also regulated by the Environmental Protection Agency (EPA) under the Toxic Substance Control Act (TSCA) since there is polychlorinated biphenyl contaminated soil. TSCA regulations required additional subsurface investigation to further characterize the soil, in order to prepare a Risk-Based Disposal Plan for EPA approval.

2002: At the beginning of 2002 there were two active DEP-listed disposal sites:

- Wentworth Institute of Technology (WIT) site: WIT is listed with DEP as the PRP for the site commonly referred to as the WIT or ECAT site, and in March 2002, WIT submitted a Response Action Outcome to DEP to bring this site to regulatory closure. This site had three RTNs: 3-3097, 3-15778, and 3-18677.
- Massport maintenance garage site: Massport continued to work with EPA to develop a soil disposal plan for this site. Massport conducted another phase of subsurface investigation in March 2002 and submitted a modified soil disposal plan in August 2002.

2003: Massport anticipates receiving EPA's approval of its soil disposal plan for its MCP site in the early part of 2003 and has tentatively scheduled remediation and site closure of RTN 3-13953 before the end of 2003.

(c) DEP Shawsheen Watershed Initiative

Massport continues to work cooperatively with the Executive Office of Environmental Affairs (EOEA) and the Shawsheen Watershed partners to assess and improve water quality under the Shawsheen River initiative.

(d) Protection of Rare and Endangered Species

Two grassland bird species subject to the Massachusetts Endangered Species Act have been observed at Hanscom: the Upland Sandpiper and the Grasshopper Sparrow. In cooperation with the Massachusetts Audubon Society, Massport has traditionally managed airfield vegetation in a manner to protect the grassland nesting areas of these species, while maintaining aviation safety. As part of this effort, Massport has suspended mowing activity during their critical nesting season. In addition, the U.S. Department of Agriculture regularly conducts field visits at Hanscom to monitor and evaluate wildlife on the airfield, with a focus on assisting Massport in minimizing bird strike hazards.

2002: Massport began developing a formalized Grassland Management Program as part of its commitment to protecting the Upland Sandpiper and other listed grassland species. In addition, the VMP identifies mitigation measures designed to protect, preserve, and in some places, enhance, the habitat for state-listed rare wildlife species.

2003: An Environmental Monitor will be hired throughout the vegetation management project to monitor the project and assist in the protection of rare and endangered species. The Grassland Management Program will be finalized for review with the FAA, the Massachusetts Natural and Endangered Species Program and Massachusetts Audubon Society. The finalized Grassland Management Program will be provided to the Hanscom area towns' Conservation Commissions, and made available to HFAC.

(e) Environmental Status and Planning Report (ESPR)

Massport's first Generic Environmental Impact Report (GEIR) for Hanscom Field used 1985 as the base year. In addition to evaluating the environmental impacts for 1985 conditions, it looked at the potential impacts for 1990. In 1997, a GEIR Update was completed, using 1995 as the data year, and it looked at potential impacts for 2000 and 2010. Both of these documents were submitted to the Massachusetts Environmental Policy Act (MEPA) offices and were found to be adequate in the certificates issued by MEPA. The certificate for the 1997 update requested another environmental update, using 2000 as the base year. The name of the study was changed from a GEIR to an Environmental Status and Planning Report (ESPR). Massport submitted an ESPR draft Scope of Work to the MEPA offices in July 2001. After public hearings, MEPA staff issued a Certificate and final Scope in December 2001.

2002: The Draft ESPR was prepared by Rizzo Associates and presented to the communities during nine public meetings, followed by a MEPA hearing. The ESPR analyzed the environmental effects for 2000 and compared the results to the data in the 1995 GEIR Update. In addition, environmental effects for 2005 and 2015 were developed based on potential growth in general aviation, commercial and cargo activity, the development needed to support that activity, and planning options. In December 2002, MEPA issued a certificate accepting the draft ESPR as adequate and meeting the requirements of the Scope for the Draft ESPR. The certificate included a scope of work for the Final ESPR.

2003: Massport will continue to work with Rizzo Associates to submit the Final ESPR to MEPA. This filing is targeted for May 2003 and will be followed by two public hearings hosted by Massport plus a MEPA hearing.

Communicate with the Residential and Aviation Communities Regarding Airport Issues and Support Local Aviation Related Programs

Massport is interested in maintaining an open dialogue with those who use the airport and the airport's neighbors, particularly the towns that abut the airfield. Massport has also traditionally supported aviation-related education initiatives.

(a) Aviation and Community Groups

There are two regular monthly meetings that are attended by Massport staff. The Hanscom Field Advisory Commission (HFAC), which was established by the legislature and includes representatives from the aviation and residential communities, meets on the third Tuesday of each month, September through June. During July and August, it meets as needed. The State of Hanscom is traditionally presented to the HFAC in March of each year.

The four towns that are contiguous to Hanscom Field and Hanscom Air Force Base created the Hanscom Area Towns Committee (HATS). One Selectman from each town serves on HATS along with planning board and at-large members. HATS meets on the fourth Thursday of each month.

2002: Massport staff provided members of the HFAC with pertinent information regarding events and plans for the airport. This included the presentation of the *State of Hanscom*, monthly activity and noise statistics, and the annual noise report. Data from the permanent noise monitoring system were included. At HATS meetings, Massport staff was available to report on events and respond to questions relating to Hanscom Field and Massport policies. The ESPR process was developed with HATS.

Massport continued to support many of the recommendations developed by the Noise Working Group, a committee created after the 1995 GEIR. This group studied noise metrics and noise abatement and mitigation. A number of the metric recommendations were included in the ESPR. Most of the abatement and mitigation recommendations were addressed when Massport developed a fly friendly program in 2001, encouraging pilots to use the quietest flying techniques that are safe and practical. In 2002, inserts for pilot manuals continued to be made available for pilots of all aircraft, outlining the Aircraft Owners and Pilot Association's and National Business Aircraft Association's quiet flying recommendations. Framed posters describing noise abatement procedures are hanging in the flight school offices and FBOs.

2003: Massport will continue to meet with HFAC and HATS, providing members with pertinent information regarding Hanscom. These meetings provide Massport with opportunities to report on airport events and initiatives while listening to comments from both the residential and aviation communities. In addition, the recommendations of the Noise Working Group will

continue to be reviewed and implemented as appropriate, and the Fly Friendly program will continue to be encouraged.

(b) The Education Resource Center

Since the early 1990s, Massport has provided space in the Civil Air Terminal for an Education Resource Center. The Resource Center is used on a regular basis by the Massachusetts Aviation Historical Society. It is also available for use by the Massachusetts Aviation Education Council, a working committee to promote aviation education, which includes state educators and representatives of government and industry groups, and other entities promoting aviation.

SECTION V – CAPITAL PROJECTS FOR FY02 THROUGH FY06

Each year capital projects for Hanscom Field (BED) are evaluated for funding. The following page outlines the projects that have been approved for funding during the next five years. This list shows the currently funded projects that are expected to move forward in the near future, although this is a fluid list, which gets adjusted periodically. Circumstances may change the year in which a project is completed, the amount that is expended, or whether a project is actually implemented.

HANSCOM FIELD FY03 to FY07 PROPOSED PROJECTS

The following chart lists projects that are included in the approved Capital Budget.

	PROJECTS	Estimated Cost (in 000s)
	Fiscal Year 2003 (July 1, 2002-June 30, 2003)	
1	Airfield Improvement Program (Apron/Taxiway restoration--Phase 2)	$1,412
2	Airfield Improvement Program Design (Apron/Taxiway Restoration-Phase 3)	$60
3	Overlay Civil Air Terminal (CAT) Parking Lot	$600
4	Security Enhancements	$219
5	2000 Environmental Status and Planning Report	$635
6	Field Maintenance Garage Addition for Sand & Vehicle Storage	$284
7	Vegetation Management - Phase 1	$322
8	Vegetation Management - Phase 2	$122
9	Runway Safety Area Improvements	$74
	Fiscal Year 2004 (July 1, 2003-June 30, 2004)	
1	Airfield Improvement Program (Apron/Taxiway Restoration-Phase 3)	$1,400
2	Airfield Improvement Program Design (Terminal Ramp Rehabilitation--Phase 3)	$80
3	Security Enhancements	$676
4	Field Maintenance Garage Addition for Sand & Vehicle Storage	$1,411
5	2000 Environmental Status and Planning Report	$320
6	T-Hangar Roof Replacement	$425
7	CAT 1st Floor Bathroom Renovations	$250
8	HVAC and Window (2nd & 3rd floors, south side) Replacements	$470
9	2nd Floor Renovation in CAT	$100
10	Vegetation Management - Phase 1	$75
11	Vegetation Management - Phase 2	$325
12	Runway Safety Area Improvements	$150
13	Airfield Perimeter Road Improvements	$300
	Fiscal Year 2005 (July 1, 2004-June 30, 2005)	
1	Airfield Improvement Program (Terminal Ramp Rehabilitation--Phase 3)	$1,482
2	Airfield Improvement Program Design (East Ramp Overlay-Phase 1)	$105
3	Security Enhancements	$895
4	Runway Safety Area Improvements	$151
5	CAT Bathroom Renovations	$240
6	Vegetation Management - Phase 1	$150
7	Vegetation Management - Phase 2	$943
8	2005 Environmental Status and Planning Report	$200
9	Stormwater Management	$40
	Fiscal Year 2006 (July 1, 2005-June 30, 2006)	
1	Airfield Improvement Program (East Ramp Overlay-Phase 1)	$1,135
2	Airfield Improvement Program Design (East Ramp Overlay-Phase 2)	$110
3	Security Enhancements	$1,002
4	2005 Environmental Status and Planning Report	$450
5	Runway Safety Area Improvements	$1,625
6	Vegetation Management - Phase 1	$75
7	Vegetation Management - Phase 2	$440
	Fiscal Year 2007 (July 1, 2006-June 30, 2007)	
1	Airfield Improvement Program (East Ramp Overlay-Phase 2)	$1,180
2	Security Enhancements	$493
3	2005 Environmental Status and Planning Report	$600
4	Vegetation Management	$75