



March 13, 2025

Representative Joseph J. Solomon, Jr.
Chair, House Committee on Corporations
Rhode Island State House
Providence, RI 02903

Re: H5584

Dear Chairman Solomon:

We write to you regarding House Bill 5584 – an act that would add a mayoral appointee from the City of Warwick to the Rhode Island Airport Corporation's (RIAC) board of directors. Ultimately, the manner in which the corporation is governed is a decision for members of the General Assembly and the governor to decide. From our standpoint, we want you to know the corporation is well governed and well managed, producing excellent results for the citizens of Rhode Island. In fact, the airport has recorded record growth in recent years.

We also want you to know we value our relationship with our host community – the City of Warwick. The successes at the airport with increased airlines and routes have greatly benefitted the city. The staff at RIAC continue to meet with city staff every month to discuss a wide variety of issues.

It is important to recall the reason for the establishment of RIAC – the airlines demanded of Rhode Island that it had an organization free from political interference. To respond to this, the leadership in Rhode Island in 1992 established RIAC as a quasi-public entity. Breeze Airways and other airlines have made large investments in the airport in line with this understanding. In addition, RIAC recently received a credit rating increase supported by the “lack of political interference” in its operations. Introducing any changes on the Board that would be perceived as political interference would be detrimental to the tremendous progress that the airport has seen in the last 8 years. The airport’s mission is to be an asset for the entire state, not an individual constituency or organization.

Additionally, if you were to make this change, we would expect to see calls for representation on the RIAC board from those communities that have one of the five General Aviation airports in Rhode Island. We have also seen legislative attempts in recent years to change the composition of our board to include appointees from pilot associations, and we have opposed these bills as the mission of these organizations is not always aligned with the mission of the airport. Please know we have great respect for the pilot community and have worked hard to improve relations over the years, but as a board, we must find a balance between the wants and needs of the pilot community and the communities who host regional airports.

As you contemplate a change in governance, please consider the following:

RIAC has an economic impact of \$2.7B with 19,000 jobs. Rising tides at the airport lift all of Rhode Island economically, so the board must function well. Please know the following when considering any changes to the board's makeup.

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Air service at the airport has more than doubled since the board hired Iftikhar Ahmad in 2016. The airport has grown from seven airlines with 17 nonstop flights to nine airlines and 38 nonstop destinations. We also have every reason to expect the announcement of even more nonstop domestic and international destinations in the near future.

While we have increased the number of nonstop destinations and visitors to Rhode Island, it may surprise many that the number of aircraft operations has decreased over the past decades. In 2007, our airport welcomed 5,004,917 travelers via 76,383 departures and landings. In 2024, we welcomed 4,011,681 visitors via 38,607 departures and landings, and modern aviation advancements have resulted in larger, quieter, and more efficient aircraft that transport more people on relatively fewer flights.

Amid this growth, the financial condition of RIAC is quite possibly stronger than ever. We currently have a surplus of over \$100 million and have received multiple credit agency upgrades. Beyond building a surplus, we have also been able to lower our debt.

In a recent S&P credit analysis, they noted the following about RIAC's management of financials:

"Very strong management and governance, with a good track record of operating the major lines of business and managing risk, as evidenced by high liquidity, conservative budgeting, and meeting financial targets."

Perhaps just as importantly, a previous upgrade from Fitch Ratings also noted that RIAC's stronger rating "reflects the lack of political interference and the flexibility of the rate-making methodology, which includes extraordinary coverage protection."

This sound financial management has allowed us to continue to invest in our facilities and the terminal to ensure Rhode Island has one of the best airports in the country. RIAC currently has \$950 million in infrastructure improvements in its master plan and is implementing \$350 million of it over the next two years.

A well-run airport only bolsters the surcharges that Warwick receives in the form of beverage taxes, hotel taxes and parking fees that allow the Mayor and the City Council to help control property tax rates. We estimate that Warwick benefits \$5 million annually in financial support based on the airport's operations. The airport operations directly and indirectly create employment opportunities for Warwick residents as well.

We see analogies with this legislation as the Mayor of Warwick's first obligation is to the City of Warwick, and he or she may find themselves in a state of continual conflict as the RIAC board has a mission to serve all of the residents of Rhode Island.

Additionally, if you were to make this change, we would expect to see calls for representation on the RIAC board from those communities that have one of the five General Aviation airports in Rhode Island. A heavy politicization of the board would not be looked upon favorably by the airlines and would not be in line with the purpose of forming RIAC in 1992. At that time, the airport was under DOT, and there was a clamor from the airlines that a new independent quasi would be formed free of political interference that was hindering airport growth and investment.

Please know we work very hard to maintain a good working relationship with the City of Warwick. We have worked with the city in recent years to return RIAC parcels to their tax rolls. These types of successes don't seem to generate headlines, but they are a powerful example of the collaboration that has occurred between RIAC and the city.

Lastly, please know that a Warwick resident currently serves on the RIAC board (Jon Justo). In summation, the governance structure now in place is working and working well. There has never been a time in recent history when the airport has had greater success. As you contemplate this bill, please ask yourselves if there should be a policymaking change of this significance when things are working so well.

Sincerely,

A handwritten signature in blue ink that reads "Brittany Morgan Esq."

Brittany Morgan Esq.
Senior Vice President, Legal Affairs & Human Resources