

**Senate Counsel, Research,  
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**Senate**

**State of Minnesota**

**S.F. No. 1713 - Prohibiting Local Administrative  
Enforcement of Traffic Regulations**

**Author:** Senator Leo Foley

**Prepared by:** Bonnie Berezovsky, Senate Counsel (651/296-9191) BB  
Amy Vennewitz, Fiscal Analyst (651/296-7681)

**Date:** March 31, 2005

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**Section 1** prohibits a city, county, or town from imposing administrative penalties to enforce the provisions of Minnesota Statutes, chapter 169, except as otherwise provided by state law.

**Section 2** gives effect to section 1 on August 1, 2005, and applies it to offenses committed on or after that date.

BB/AV:rer

Senators Foley, Berglin, Cohen, Murphy and Neuville introduced--  
S.F. No. 1713: Referred to the Committee on Transportation.

1 A bill for an act  
2 relating to traffic regulations; prohibiting local  
3 authorities from enforcing traffic regulations with  
4 administrative penalties; amending Minnesota Statutes  
5 2004, section 169.022.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 169.022, is  
8 amended to read:

9 169.022 [UNIFORM APPLICATION.]

10 (a) The provisions of this chapter shall be applicable and  
11 uniform throughout this state and in all political subdivisions  
12 and municipalities therein, and no local authority shall enact  
13 or enforce any rule or regulation in conflict with the  
14 provisions of this chapter unless expressly authorized herein.  
15 Local authorities may adopt traffic regulations which are not in  
16 conflict with the provisions of this chapter; provided, that  
17 when any local ordinance regulating traffic covers the same  
18 subject for which a penalty is provided for in this chapter,  
19 then the penalty provided for violation of said local ordinance  
20 shall be identical with the penalty provided for in this chapter  
21 for the same offense.

22 (b) Except as otherwise specifically provided by state law  
23 and notwithstanding any contrary charter provision, no statutory  
24 or home rule charter city, county, or town may impose  
25 administrative penalties to enforce provisions of this chapter.

1       Sec. 2. [EFFECTIVE DATE.]  
2       Section 1 is effective August 1, 2005, and applies to  
3 offenses committed on or after that date.

1 Senator ..... moves to amend S.F. No. 1713 as follows:

2 Page 1, line 25, before the period, insert "except for  
3 provisions relating to standing and parking vehicles"

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# Senate

State of Minnesota

## **S.F. No. 1042 - Authorizing Local Administrative Enforcement of Traffic Regulations**

**Author:** Senator Paul Koering

**Prepared by:** Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*  
Amy Vennewitz, Fiscal Analyst (651/296-7681)

**Date:** March 31, 2005

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**Section 1** authorizes local authorities to enforce minor traffic offenses through an administrative system. Administrative penalties may be imposed only after a hearing before a hearing officer, and a penalty may not exceed the maximum petty misdemeanor penalty (\$300).

BB/AV:rer

Senators Koering, Wergin and Rosen introduced--  
S.F. No. 1042: Referred to the Committee on Transportation.

A bill for an act

relating to traffic regulations; providing for  
administrative enforcement of minor traffic offenses  
by municipalities; amending Minnesota Statutes 2004,  
section 169.04.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 169.04, is  
amended to read:

169.04 [LOCAL AUTHORITY.]

(a) The provisions of this chapter shall not be deemed to  
prevent local authorities, with respect to streets and highways  
under their jurisdiction, and with the consent of the  
commissioner, with respect to state trunk highways, within the  
corporate limits of a municipality, or within the limits of a  
town in a county in this state now having or which may hereafter  
have, a population of 500,000 or more, and a land area of not  
more than 600 square miles, and within the reasonable exercise  
of the police power from:

- (1) regulating the standing or parking of vehicles;
- (2) regulating traffic by means of police officers or  
traffic-control signals;
- (3) regulating or prohibiting processions or assemblages on  
the highways;
- (4) designating particular highways as one-way roadways and  
requiring that all vehicles, except emergency vehicles, when on

1 an emergency run, thereon be moved in one specific direction;

2 (5) designating any highway as a through highway and  
3 requiring that all vehicles stop before entering or crossing the  
4 same, or designating any intersection as a stop intersection,  
5 and requiring all vehicles to stop at one or more entrances to  
6 such intersections;

7 (6) restricting the use of highways as authorized in  
8 sections 169.80 to 169.88.

9 (b) A municipality, by ordinance, may enforce minor traffic  
10 offenses through an administrative system separate and distinct  
11 from the court system. Administrative penalties may not exceed  
12 the maximum penalty established by law for a petty misdemeanor  
13 offense. An administrative penalty may not be imposed unless  
14 the offender is given the opportunity for a hearing held before  
15 a hearing officer appointed by the municipality and independent  
16 of the law enforcement agency.

17 (c) No ordinance or regulation enacted under paragraph (a),  
18 clause (4), (5), or (6), shall be effective until signs giving  
19 notice of such local traffic regulations are posted upon and  
20 kept posted upon or at the entrance to the highway or part  
21 thereof affected as may be most appropriate.

22 ~~(c)~~ (d) No ordinance or regulation enacted under paragraph  
23 (a), clause (3), or any other provision of law shall prohibit:

24 (1) the use of motorcycles or vehicles utilizing flashing  
25 red lights for the purpose of escorting funeral processions,  
26 oversize buildings, heavy equipment, parades or similar  
27 processions or assemblages on the highways; or

28 (2) the use of motorcycles or vehicles that are owned by  
29 the funeral home and that utilize flashing red lights for the  
30 purpose of escorting funeral processions.

1 Senator ..... moves to amend S.F. No. 1042 as follows:

2 Page 2, line 9, delete "municipality" and insert "local  
3 authority within the meaning of section 169.01, subdivision 28"

4 Amend the title as follows:

5 Page 1, line 4, delete "municipalities" and insert "local  
6 authorities"



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# Senate

State of Minnesota

## **S.F. No. 1739 – Making Technical Changes to Vehicle Registration Tax Laws**

**Author:** Senator David Senjem

**Prepared by:** Amy Vennewitz, Fiscal Analyst (651/296-7681), *amv*  
Bonnie Berezovsky, Senate Counsel (651/296-9191)

**Date:** March 31, 2005

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**Section 1** defines “commissioner” in chapter 168 to mean the commissioner of public safety.

**Section 2** defines “highway” in chapter 168 to have the same meaning as given in chapter 169, i.e. “the entire width between boundary lines of any way or place when any part thereof is open to the use of the public for the purposes of vehicular traffic.”

**Section 3** deletes a reference to the definition of all-terrain vehicle in section 84.92, subdivision 8, from the definition of motor vehicle in chapter 168. (A definition for all-terrain vehicle is added to chapter 168 in section 8.)

**Section 4** changes the definition of “owner” in chapter 168 to mean any person owning or leasing a vehicle and deletes the terms “firm, association or corporation” from the definition.

**Section 5** changes the definition of “registered owner” to mean any person other than a secured party having title to a motor vehicle and deletes the terms “firm, association or corporation” from the definition.

**Section 6** deletes references to the term “fee” in the definition of registration tax and makes technical changes.

**Section 7** makes technical changes to the definition of passenger automobile.

**Section 8** defines “all-terrain vehicle” in chapter 168 to have the same meaning as given in section 84.92, subdivision 8.

**Section 9** defines “person” in chapter 168 to have the same meaning as given in section 168A.01, subdivision 14.

**Section 10** defines “vehicle” in chapter 168 to have the same meaning given in section 168A.01, subd. 24.

**Section 11** clause (b) provides that when the ownership of a vehicle is transferred to another person required to register the vehicle, the registration tax paid is assigned to the credit of the transferee, unless the registration stickers are surrendered to the commissioner before the first day of the new registration period. Clause (d) provides that in the case of loss of the title or registration certificate during transfer of ownership, the person must make application to the commissioner with proof of loss of the title and assign a notice of sale of the vehicle on the application for title.

**Section 12** clauses (a) and (b) make technical changes. Clause (c) provides that the new owner has the right to have the registration tax paid by the former owner credited to the new owner unless the registration stickers are surrendered to the commissioner before the first day of the new registration period. Clause (d) provides that an owner is entitled to a refund of the unused portion of the registration tax if the vehicle is declared by an insurance company to be permanently destroyed or is sold to the federal government, the state or a political subdivision of the state. Clause (e) provides that the refund must be equal to the remaining registration tax attributable for the registration period after the month in which the plates and certificate of registration or title were returned to the commissioner.

**Section 13** provides that the owner of a vehicle, who paid a registration tax before the registration period for which the tax was assessed, is entitled to a full refund if the registration stickers are surrendered before the first day of the registration period. Language allowing for a refund if a vehicle is not used during the calendar year for which a registration tax was paid is stricken.

**Section 14** repeals M.S. 168.011, subdivision 19 relating to the definition of a “sworn statement” and M.S. 168.15, subdivision 2, relating to the transfer of any automobile engine or motor and the requirement that the transferor file a notice with the registrar within two days of the transfer.

Senator Senjem introduced--

S.F. No. 1739: Referred to the Committee on Transportation.

1                                   A bill for an act

2           relating to motor vehicles; regulating registration

3           tax refunds; modifying registration procedures; making

4           technical and clarifying changes; amending Minnesota

5           Statutes 2004, sections 168.011, subdivisions 3, 4, 5,

6           5a, 6, 7, by adding subdivisions; 168.15, subdivision

7           1; 168.16; 168.31, subdivision 5; repealing Minnesota

8           Statutes 2004, sections 168.011, subdivision 19;

9           168.15, subdivision 2.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

11           Section 1. Minnesota Statutes 2004, section 168.011, is

12 amended by adding a subdivision to read:

13           Subd. 2a. [COMMISSIONER.] "Commissioner" means the

14 commissioner of the Minnesota Department of Public Safety.

15           Sec. 2. Minnesota Statutes 2004, section 168.011,

16 subdivision 3, is amended to read:

17           Subd. 3. [HIGHWAY.] A "Highway" ~~is any public thoroughfare~~

18 ~~for vehicles, including streets in cities~~ has the meaning given

19 in section 169.01, subdivision 29.

20           Sec. 3. Minnesota Statutes 2004, section 168.011,

21 subdivision 4, is amended to read:

22           Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any

23 self-propelled vehicle designed and originally manufactured to

24 operate primarily ~~upon public roads and~~ on highways, and not

25 operated exclusively upon railroad tracks. It includes any

26 vehicle propelled or drawn by a self-propelled vehicle and

27 includes vehicles known as trackless trolleys that are propelled

1 by electric power obtained from overhead trolley wires but not  
2 operated upon rails. It does not include snowmobiles,  
3 manufactured homes, or park trailers.

4 (b) "Motor vehicle" ~~also~~ includes an all-terrain vehicle~~7~~  
5 ~~as-defined-in-section-84.927-subdivision-87-that~~ only if the  
6 all-terrain vehicle (1) has at least four wheels, (2) is owned  
7 and operated by a physically disabled person, and (3) displays  
8 both physically disabled ~~license~~ plates and a physically  
9 disabled certificate issued under section 169.345, subdivision 3.

10 (c) "Motor vehicle" does not include an all-terrain vehicle  
11 ~~as-defined-in-section-84.927-subdivision-87~~ except (1) an  
12 all-terrain vehicle described in paragraph (b), or (2) an  
13 all-terrain vehicle licensed as a motor vehicle before August 1,  
14 1985. The owner may continue to license an all-terrain vehicle  
15 described in clause (2) as a motor vehicle until it is conveyed  
16 or otherwise transferred to another owner, is destroyed, or  
17 fails to comply with the registration and licensing requirements  
18 of this chapter.

19 (d) "Motor vehicle" does not include an electric personal  
20 assistive mobility device as defined in section 169.01,  
21 subdivision 90.

22 Sec. 4. Minnesota Statutes 2004, section 168.011,  
23 subdivision 5, is amended to read:

24 Subd. 5. [OWNER.] "Owner" means any person~~7-firm7~~  
25 ~~association7-or-corporation~~ owning or renting leasing a motor  
26 vehicle, or having the exclusive use thereof of the vehicle,  
27 under a lease or otherwise, for a period of greater than 30 days.

28 Sec. 5. Minnesota Statutes 2004, section 168.011,  
29 subdivision 5a, is amended to read:

30 Subd. 5a. [REGISTERED OWNER.] "Registered owner" means any  
31 person, ~~firm7-association7-or-corporation7~~ other than a secured  
32 party, having title to a motor vehicle. If a passenger  
33 automobile~~7-as-defined-in-subdivision-77~~ is under lease for a  
34 term of 180 days or more, the lessee is deemed to be the  
35 registered owner, for purposes of registration only~~7~~; provided  
36 that the application for renewal of the registration of a

1 passenger automobile ~~described-in-this-subdivision-shall-be~~ is  
2 sent to the lessor.

3 Sec. 6. Minnesota Statutes 2004, section 168.011,  
4 subdivision 6, is amended to read:

5 Subd. 6. [~~TAX-FEE.~~] "Tax" ~~or-"fee"~~ means the annual  
6 registration tax imposed on motor vehicles in lieu of all other  
7 taxes thereon, except wheelage taxes, ~~so-called,~~ which may be  
8 imposed by any city, and except gross earnings taxes paid by  
9 companies ~~subject-or-made-subject-thereto.~~ Such The annual tax  
10 ~~shall-be-deemed~~ is both a property tax and a highway use tax and  
11 shall be on the basis of the calendar year.

12 Sec. 7. Minnesota Statutes 2004, section 168.011,  
13 subdivision 7, is amended to read:

14 Subd. 7. [~~PASSENGER AUTOMOBILE.~~] (a) "Passenger automobile"  
15 means any motor vehicle designed and used for carrying not more  
16 than 15 persons individuals including the driver.

17 (b) "Passenger automobile" does not include motorcycles,  
18 motor scooters, ~~and-buses-described-in-subdivision-97-paragraph~~  
19 ~~(a)7-clause-(2)~~ buses, or school buses.

20 (c) ~~For-purposes-of-taxation-only,~~ "Passenger automobile"  
21 includes pickup trucks and vans, including those vans designed  
22 to carry passengers, with a manufacturer's nominal rated  
23 carrying capacity of one ton, but does not include commuter vans  
24 as defined in section 168.126.

25 Sec. 8. Minnesota Statutes 2004, section 168.011, is  
26 amended by adding a subdivision to read:

27 Subd. 37. [~~ALL-TERRAIN VEHICLE.~~] "All-terrain vehicle" has  
28 the meaning given in section 84.92, subdivision 8.

29 Sec. 9. Minnesota Statutes 2004, section 168.011, is  
30 amended by adding a subdivision to read:

31 Subd. 38. [~~PERSON.~~] "Person" has the meaning given in  
32 section 168A.01, subdivision 14.

33 Sec. 10. Minnesota Statutes 2004, section 168.011, is  
34 amended by adding a subdivision to read:

35 Subd. 39. [~~VEHICLE.~~] "Vehicle" has the meaning given in  
36 section 168A.01, subdivision 24.

1 Sec. 11. Minnesota Statutes 2004, section 168.15,  
2 subdivision 1, is amended to read:

3 Subdivision 1. [TRANSFER OF OWNERSHIP.] (a) Upon the  
4 transfer of ownership, destruction, theft, dismantling, or  
5 permanent removal by the owner from this state of any motor  
6 vehicle registered in accordance with this chapter, the right of  
7 the owner of the vehicle to use the registration certificate and  
8 number plates assigned to the vehicle expires.

9 (b) When the ownership of a motor vehicle is transferred to  
10 another ~~resident-of~~ person required to register the vehicle in  
11 this state, the transferor shall ~~surrender-the-registration~~  
12 ~~plates,-unless-otherwise-provided-for-in-this-chapter,-and~~  
13 assign the registration tax paid to the credit of the transferee  
14 unless the registration stickers are surrendered to the  
15 commissioner before the first day of the new registration period.

16 (c) When seeking to become the owner by gift, trade, or  
17 purchase of any vehicle for which a registration certificate has  
18 been issued under this chapter, a person shall join with the  
19 registered owner in transmitting with the application for  
20 transfer of ownership, the registration certificate, with the  
21 assignment and notice of sale duly executed ~~upon-the-reverse~~  
22 ~~side,-or-.~~

23 (d) In case of loss of the title or certificate of  
24 registration of a vehicle not subject to section 325E.15, the  
25 person shall make application to the commissioner with proof of  
26 ~~loss by-sworn-statement,-in-writing,-and-satisfactory-to-the~~  
27 ~~registrar~~ of the title as specified in section 168A.09 and  
28 assign a notice of sale of the vehicle on the application for  
29 title as specified in section 168A.04.

30 (e) Upon the transfer of any motor vehicle by a  
31 manufacturer or dealer, for use within the state, whether by  
32 sale, lease, or otherwise, the ~~manufacturer-or-dealer~~ transferor  
33 shall, within ten days after the transfer, file with the  
34 ~~registrar~~ commissioner (1) a notice ~~or-report~~ containing the  
35 date of transfer, a description of the motor vehicle, and the  
36 transferee's name, ~~street and number-of-residence,-if-in-a-city,~~

1 ~~and-post-office~~ residence address in the state or if not a  
 2 natural person then the transferee's business and mailing  
 3 address, and shall-also-transmit-with-it (2) the transferee's  
 4 application for registration.

5 Sec. 12. Minnesota Statutes 2004, section 168.16, is  
 6 amended to read:

7 168.16 [REGISTRATION TAX REFUND; APPROPRIATION.]

8 (a) After the registration tax upon any motor vehicle has  
 9 been paid for any year registration period, refund must be made  
 10 for errors made in computing the registration tax or fees and  
 11 for the error on the part of an owner who may in error have  
 12 registered a motor vehicle that was not before, nor at the time  
 13 of registration, nor at any time thereafter during the current  
 14 past-year preceding registration period, subject to registration  
 15 tax in this state as provided by section 168.012.

16 (b) Unless otherwise provided in this chapter, a claim for  
 17 a refund of an overpayment of registration tax must be filed  
 18 within 3-1/2 years from the date of payment.

19 ~~The-refund-must-be-made-from-any-fund-in-possession-of-the~~  
 20 ~~registrar-and-deducted-from-the-registrar's-monthly-report-to~~  
 21 ~~the-commissioner-of-finance.--A-detailed-report-of-the-refund~~  
 22 ~~must-accompany-the-report.~~

23 (c) The former registered owner of a transferred vehicle,  
 24 by an assignment in writing endorsed upon the registration  
 25 certificate and delivered to the registrar commissioner within  
 26 the time provided in this subdivision, shall assign, except for  
 27 vehicles registered under section 168.187, to the new owner the  
 28 right to have the tax paid by the former registered owner  
 29 accredited to the new owner who duly registers the vehicle  
 30 unless the registration stickers are surrendered to the  
 31 commissioner before the first day of the new registration period.

32 (d) Any owner at is entitled to a refund of the unused  
 33 portion of the registration tax paid on the owner's vehicle upon  
 34 filing a claim, verified by the commissioner, if the time-of  
 35 such-occurrence, whose vehicle is:

36 (1) declared by an insurance company to be a-total-loss-due

1 ~~to flood or tornado damage~~, permanently destroyed, due to  
 2 accident, fire, or an Act of God as defined in section 115B.02;  
 3 or

4 (2) sold to the federal government, the state, or a  
 5 political subdivision of the state, ~~shall upon filing a verified~~  
 6 ~~claim be entitled to a refund of the unused portion of the tax~~  
 7 ~~paid upon the vehicle, computed as follows:~~

8 (1) ~~if the vehicle is registered under the calendar-year~~  
 9 ~~system of registration, the refund is computed pro rata by the~~  
 10 ~~month, 1/12 of the annual tax paid for each month of the year~~  
 11 ~~remaining after the month in which the plates and certificate~~  
 12 ~~were returned to the registrar;~~

13 (2) ~~if the vehicle is registered under the monthly-series~~  
 14 ~~system of registration, the amount of~~

15 (e) The refund ~~is~~ must be equal to the sum of the amounts  
 16 of the ~~license fee~~ remaining registration tax attributable to  
 17 ~~these months remaining in~~ for the ~~licensing~~ registration period  
 18 after the month in which the plates and certificate of  
 19 registration or title were returned to the registrar  
 20 commissioner.

21 (b) (f) There is hereby appropriated to the persons  
 22 entitled to a refund, from the fund or account in the state  
 23 treasury to which the money was credited, an amount sufficient  
 24 to make the refund and payment.

25 Sec. 13. Minnesota Statutes 2004, section 168.31,  
 26 subdivision 5, is amended to read:

27 Subd. 5. [REFUND.] For the annual registration tax paid on  
 28 any vehicle before the ~~calendar-year~~ registration period for  
 29 which that tax was assessed, the owner of the vehicle who paid  
 30 the tax ~~shall be~~ is entitled to full refund if ~~such vehicle is~~  
 31 ~~permanently destroyed or removed from the state before the~~  
 32 ~~calendar-year for which the tax was paid or if it is not used at~~  
 33 ~~all during the calendar-year for which the tax was paid, and the~~  
 34 ~~owner makes affidavit concerning the nonuse as provided by~~  
 35 ~~section 168.012~~ the registration stickers are surrendered before  
 36 the first day of the new registration period.



1 Sec. 14. [REPEALER.]

2 Minnesota Statutes 2004, sections 168.011, subdivision 19;

3 and 168.15, subdivision 2, are repealed.

APPENDIX  
Repealed Minnesota Statutes for 05-0251

**168.011 DEFINITIONS.**

Subd. 19. **Sworn statement.** "Sworn statement" means any statement required by or made pursuant to the provisions of this chapter, made under oath administered by an officer authorized to administer oaths.

**168.15 RIGHTS AS TO REGISTRATION CERTIFICATE AND PLATES.**

Subd. 2. **Transfer of engine.** Upon the transfer of any automobile engine or motor, except a new engine or motor, transferred with intent that the same be installed in a new automobile, and whether such transfer be made by a manufacturer or dealer, or otherwise, and whether by sale, lease or otherwise, the transferor shall, within two days after such transfer, file with the registrar a notice or report containing the date of such transfer and a description, together with the maker's number of the engine or motor, and the name and post office address of the purchaser, lessee, or other transferee.

**Senate Counsel, Research,  
and Fiscal Analysis**

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**Senate**

**State of Minnesota**

**S.F. No. 80 - Airport Zoning (SCS0080A-1 Amendment)**

**Author:** Senator Michael J. Jungbauer

**Prepared by:** Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*  
Amy Vennewitz, Fiscal Analyst (651/296-7681)

**Date:** March 31, 2005

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**Section 1** provides that the operation and maintenance of airports is an essential government service.

**Section 2** makes a municipality ineligible for assistance from the state airports fund if it adopts a comprehensive plan that the commissioner finds incompatible with the state aviation plan.

**Section 3** requires a seller of real estate located in safety zone A or B of an airport to disclose to the buyer the existence of airport zoning regulations that affect the property. This disclosure must take place before the seller accepts consideration or signs an agreement to sell the property.

BB/AV:rer

Senator Jungbauer introduced--

S.F. No. 80: Referred to the Committee on Transportation

1 A bill for an act

2 relating to airports; requiring the commissioner of  
3 transportation and local units of government to adopt  
4 a model zoning ordinance to limit height of objects  
5 around airports; proposing coding for new law in  
6 Minnesota Statutes, chapter 360.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. [360.0645] [MODEL AIRPORT ZONING ORDINANCE.]

9 (a) The commissioner shall adopt, by December 31, 2007, a  
10 model zoning ordinance under chapter 14 to control the height of  
11 objects around airports. The model ordinance adopted under this  
12 section must conform to and rely on the standards prescribed by  
13 the United States Department of Transportation, Federal Aviation  
14 Administration, in the Model Zoning Ordinance to Limit Height of  
15 Objects Around Airports, as amended. The model ordinance must  
16 apply only to new development and not to development that has  
17 occurred, or for which development permits have been issued,  
18 before the effective date of the ordinance.

19 (b) By August 1, 2008, each municipality, county, or joint  
20 airport zoning board shall adopt an airport zoning ordinance  
21 regulating height limitations that meets or exceeds the minimum  
22 standards of the model ordinance and is approved by the  
23 commissioner. The model ordinance applies in a jurisdiction  
24 where the local governmental unit does not adopt an airport  
25 zoning height ordinance that is approved by the commissioner by  
26 August 1, 2008.

1       Sec. 2. [EFFECTIVE DATE.]

2       This act is effective the day following final enactment.

1 To: Senator Murphy, Chair  
 2 Committee on Transportation  
 3 Senator Rest,  
 4 Chair of the Subcommittee on Aeronautics, to which was  
 5 referred

6 S.F. No. 80: A bill for an act relating to airports;  
 7 requiring the commissioner of transportation and local units of  
 8 government to adopt a model zoning ordinance to limit height of  
 9 objects around airports; proposing coding for new law in  
 10 Minnesota Statutes, chapter 360.

11 Reports the same back with the recommendation that the bill  
 12 do pass and be referred to the full committee.

13

14



.....

(Subcommittee Chair)

15

16

17

18

19

March 3, 2005.....

(Date of Subcommittee action)

1 Senator ..... moves to amend S.F. No. 80 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 360.013,  
4 subdivision 39, is amended to read:

5 Subd. 39. [AIRPORT.] "Airport" means any area of land or  
6 water, except a restricted landing area, which is designed for  
7 the landing and takeoff of aircraft, whether or not facilities  
8 are provided for the shelter, surfacing, or repair of aircraft,  
9 or for receiving or discharging passengers or cargo, and all  
10 appurtenant areas used or suitable for airport buildings or  
11 other airport facilities, including facilities described in  
12 section 116R.02, subdivision 6, and all appurtenant  
13 rights-of-way, whether heretofore or hereafter established. The  
14 operation and maintenance of airports is an essential public  
15 service.

16 Sec. 2. Minnesota Statutes 2004, section 360.017,  
17 subdivision 1, is amended to read:

18 Subdivision 1. [CREATION; AUTHORIZED DISBURSEMENTS.] (a)  
19 There is hereby created a fund to be known as the state airports  
20 fund. The fund shall consist of all money appropriated to it,  
21 or directed to be paid into it, by the legislature.

22 (b) The state airports fund shall be paid out on  
23 authorization of the commissioner and shall be used:

24 (1) to acquire, construct, improve, maintain, and operate  
25 airports and other air navigation facilities;

26 (2) to assist municipalities in the acquisition,  
27 construction, improvement, and maintenance of airports and other  
28 air navigation facilities;

29 (3) to assist municipalities to initiate, enhance, and  
30 market scheduled air service at their airports;

31 (4) to promote interest and safety in aeronautics through  
32 education and information; and

33 (5) to pay the salaries and expenses of the Department of  
34 Transportation related to aeronautic planning, administration,  
35 and operation. All allotments of money from the state airports  
36 fund for salaries and expenses shall be approved by the

1 commissioner of finance.

2 A municipality that adopts a comprehensive plan that the  
3 commissioner finds is incompatible with the state aviation plan  
4 is not eligible for assistance from the state airports fund.

5 Sec. 3. Minnesota Statutes 2004, section 360.065, is  
6 amended by adding a subdivision to read:

7 Subd. 3. [DISCLOSURE OF AIRPORT ZONING  
8 REGULATIONS.] Before accepting consideration or signing an  
9 agreement to sell or transfer real property that is located in  
10 safety zone A, B, or C under zoning regulations adopted by the  
11 governing body, the seller or transferor, whether executing the  
12 agreement in the seller or transferor's own right, or as  
13 executor, administrator, assignee, trustee, or otherwise by  
14 authority of law, must disclose in writing to the buyer or  
15 transferee the existence of airport zoning regulations that  
16 affect the real property."

17 Delete the title and insert:

18 "A bill for an act relating to aviation; declaring  
19 operation and maintenance of airports to be an essential  
20 service; requiring seller of real property to disclose existence  
21 of airport zoning regulations; denying state airports fund  
22 assistance to municipality with comprehensive plan incompatible  
23 with state aviation plan; amending Minnesota Statutes 2004,  
24 sections 360.013, subdivision 39; 360.017, subdivision 1;  
25 360.065, by adding a subdivision."



**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 208 - Prohibiting Metropolitan Airports Commission From Consideration of Northwest Airlines 20/20 Vision Before Northwest Reports to Legislature**

**Author:** Senator Satveer Chaudhary

**Prepared by:** Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*  
Amy Vennewitz, Fiscal Analyst (651/296-7681)

**Date:** March 31, 2005

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**Section 1** prohibits the Metropolitan Airports Commission from considering the Northwest Airlines 20/20 vision, or allowing demolition of Northwest Airlines maintenance or hangar facilities at the Minneapolis-St. Paul International Airport until Northwest submits a report to the legislature's Transportation Committees.

The report must:

- Demonstrate compliance by Northwest with all provisions of the financing agreements between the state of Minnesota and Northwest Airlines;
- State the present and future impact of demolition of Building B hangars on airport employment, job loss, and wage levels;
- Identify companies that perform or will perform aircraft maintenance work under agreement, that was previously done in Minneapolis-St. Paul International Airport facilities.
- Identify countries outside the United States where maintenance work is or will be outsourced; and
- Explain the requirements of countries and companies involved in maintenance work, pertaining to employee drug and alcohol testing and criminal background checks.

**Section 2** makes this act effective the day following final enactment.

BB/AV:rer



1 for those jobs;

2 (3) identify the companies that, by agreement with  
3 Northwest Airlines, currently perform or will perform aircraft  
4 maintenance work that was previously done in Minneapolis-St.  
5 Paul International Airport facilities;

6 (4) identify countries other than the United States in  
7 which aircraft maintenance work referenced in clause (3) is or  
8 will be done; and

9 (5) with respect to the companies and countries referenced  
10 in clauses (3) and (4), explain their applicable requirements  
11 for aircraft maintenance employees or contract workers relating  
12 to drug and alcohol testing and criminal backgrounds checks.

13 Sec. 2. [EFFECTIVE DATE.]

14 This act is effective the day following final enactment.

1 Senator ..... moves to amend S.F. No. 208 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 473.608,  
4 subdivision 15, is amended to read:

5 Subd. 15. [CONTRACTS TO FURTHER AERONAUTICS, FOR  
6 PASSENGERS.] Without limitation upon any other powers in  
7 sections 473.601 to 473.679, it may contract with any person for  
8 the use by the person of any property and facilities under its  
9 control, for such purposes, and to an extent as will, in the  
10 opinion of the commissioners, further the interests of  
11 aeronautics in this state and particularly within the  
12 metropolitan area, including, but not limited to, the right to  
13 lease property or facilities, or any part thereof, for a term  
14 not to exceed 99 years, to any person, the national government,  
15 or any foreign government, or any department of either, or to  
16 the state or any municipality. Notwithstanding any contrary  
17 law, the commission may not enter into a lease agreement with an  
18 airline if, after the effective date of the lease agreement,  
19 more than 50 percent of the gates in a terminal are leased by a  
20 single airline and its partners in an airline alliance. The  
21 corporation shall not have the authority to lease, in its  
22 entirety, any municipal airport taken over by it under the  
23 provisions of sections 473.601 to 473.679. The commission may  
24 contract with any person for the use or lease in accordance with  
25 this subdivision of any property and facilities under its  
26 control for motel, hotel and garage purposes, and for other  
27 purposes as, in the opinion of the commissioners, are desirable  
28 to furnish goods, wares, services and accommodations to or for  
29 the passengers and other users of airports under the control of  
30 the corporation. Nothing in this subdivision shall be  
31 interpreted to permit the sale of intoxicating liquor upon the  
32 property or facilities except as authorized in chapter 340.

33 [EFFECTIVE DATE.] This section is effective the day  
34 following final enactment and applies to leases entered into on  
35 and after the effective date.

36 Sec. 2. Minnesota Statutes 2004, section 473.608, is

1 amended by adding a subdivision to read:

2       Subd. 24a. [AIRCRAFT MAINTENANCE.] The commission shall  
3 prohibit an airline that, in the previous 12 months, operated an  
4 average weekday minimum of 45 departing flights from  
5 Minneapolis-St. Paul International Airport and transported  
6 passengers by nonstop flights to a minimum of 15 destinations  
7 from:

8       (1) performing overhaul maintenance on its aircraft outside  
9 the United States; and

10       (2) performing, outside the state of Minnesota, a greater  
11 percentage of its total overhaul maintenance than the percentage  
12 of the airline's total operations that utilize Minnesota  
13 airports."

14       Amend the title accordingly

1 Senator ..... moves to amend S.F. No. 208 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [MORATORIUM ON AIRPORT PLANNING AND FACILITIES  
4 DEMOLITION.]

5 The Metropolitan Airports Commission must not officially  
6 consider, plan for, or authorize work on the Northwest Airlines  
7 expansion plan 20/20 vision or allow demolition of Northwest  
8 Airlines maintenance or hangar facilities at the Minneapolis-St.  
9 Paul International Airport without specific authorization of the  
10 legislature.

11 Sec. 2. [EFFECTIVE DATE.]

12 This act is effective the day following final enactment."

13 Delete the title and insert:

14 "A bill for an act relating to transportation; prohibiting  
15 Metropolitan Airports Commission from authorizing facility  
16 demolition or further consideration of Northwest Airlines 20/20  
17 vision without legislative authorization."

1 Senator ..... moves to amend the delete-everything  
2 amendment (SCS0208A-2) to S.F. No. 208 as follows:

3 Page 1, after line 10, insert:

4 "Sec. 2. [TRANSFER OF ANOKA COUNTY BLAINE AIRPORT.]

5 The Metropolitan Airports Commission shall enter into  
6 negotiations with Anoka County and agree on terms and conditions  
7 relative to the Anoka County Blaine Airport that include:

8 (1) completion by the commission of all deferred  
9 maintenance on airport facilities;

10 (2) discharge by the commission of all bonded indebtedness  
11 relating to the airport property and appurtenances; and

12 (3) transfer, within a reasonable period of time, of the  
13 commission's ownership of Anoka County Blaine Airport and all  
14 appurtenances, to the county of Anoka.

15 Sec. 3. [LOCAL APPROVAL.]

16 Section 2 is effective the day after the governing body of  
17 Anoka County and its chief clerical officer comply with  
18 Minnesota Statutes, section 645.021, subdivisions 2 and 3."

19 Page 1, line 11, delete "2" and insert "4"

20 Page 1, line 12, delete "This act" and insert "Section 1"

21 Amend the title accordingly



# **Making Sure the “20/20 Vision” Plan Works for Minnesota**

**Aircraft Mechanics Fraternal Association Local 33**

Presentation for Senate Transportation Committee

March 31, 2005

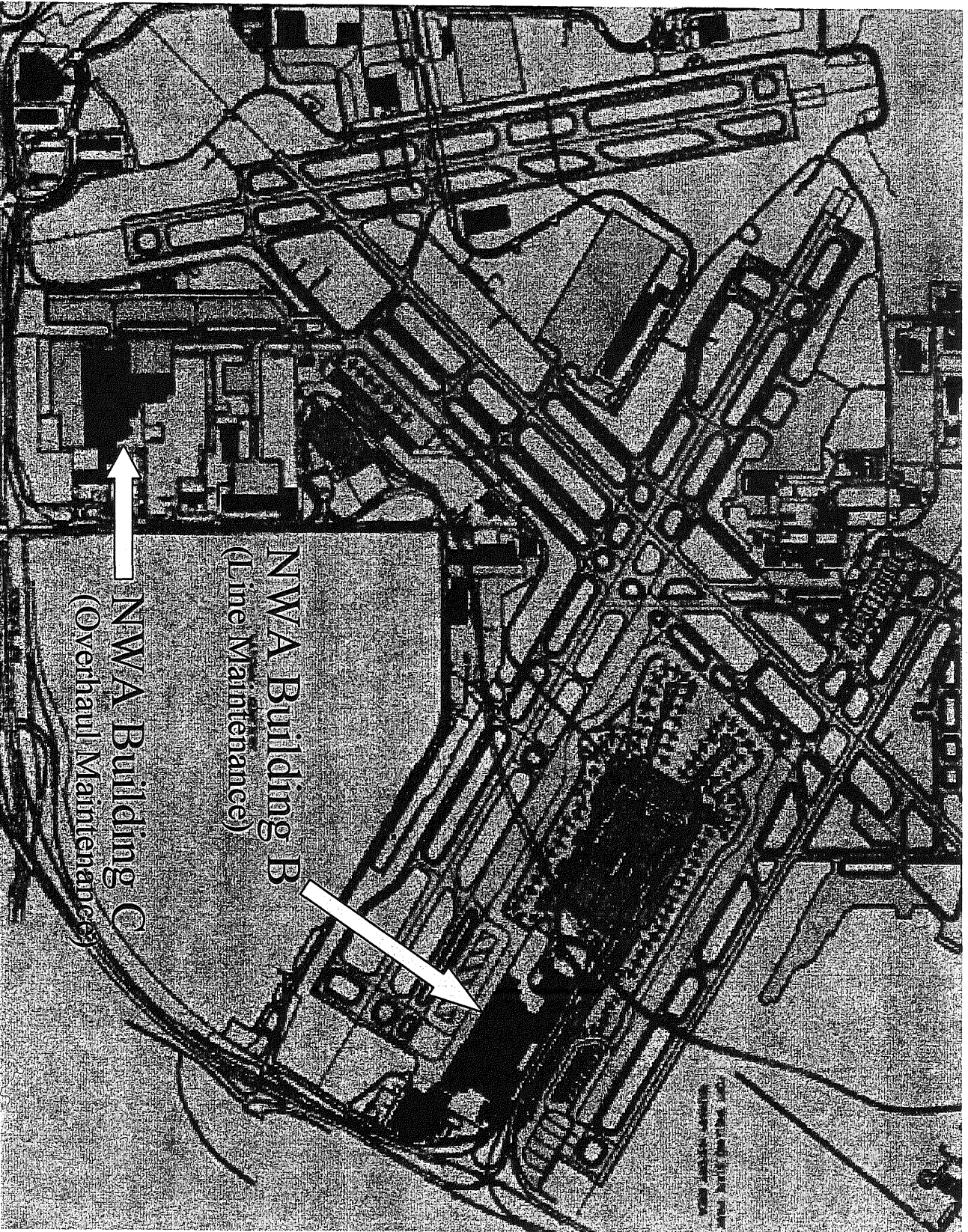
Ted Ludwig, President

(A)

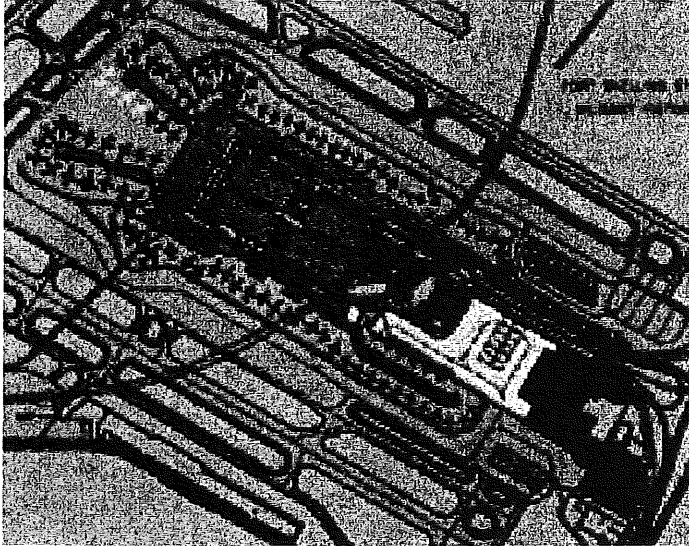
# “20/20 Vision” Plan

- Airport expansion is necessary, but this plan has negative and unnecessary consequences.
- NWA has pushed MAC to pursue a plan that is not in the State’s best interest.
- There are economic, safety and security advantages to keeping maintenance in Minnesota.
- NWA’s plan breaches its 1994 commitments to Minnesota.

# Existing Airport Facilities

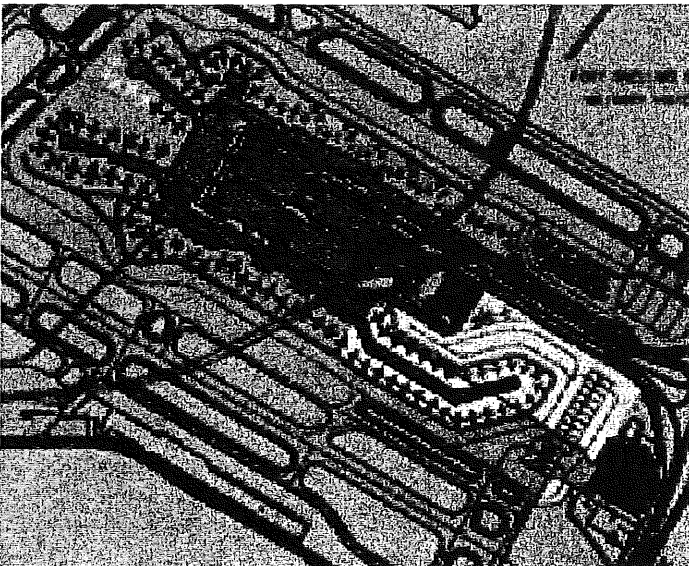


# 20/20 Plan Calls for Building B Demolition



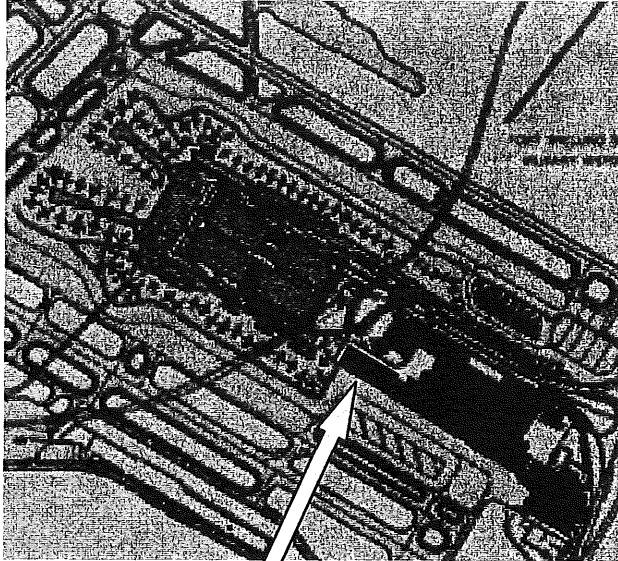
## *Phase 2*

Hangars 3, 4 and 5 demolished



## *Phase 3*

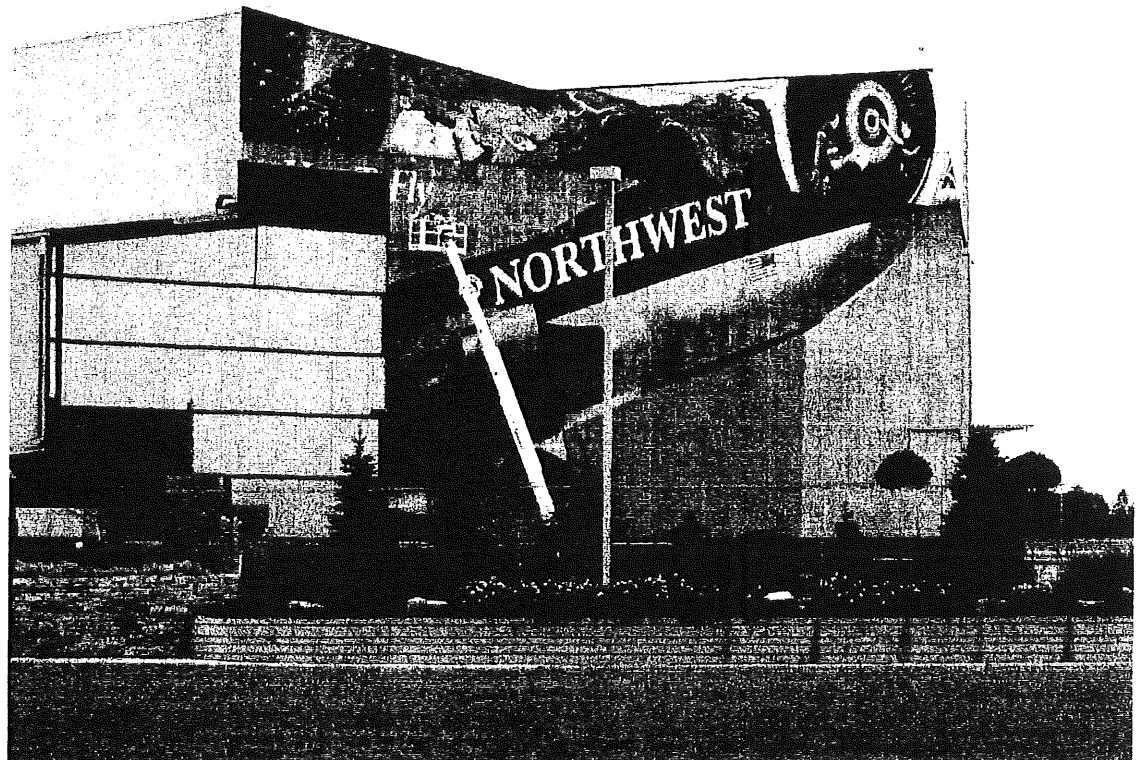
Hangars 6, 7 and shops (including engine shop) demolished

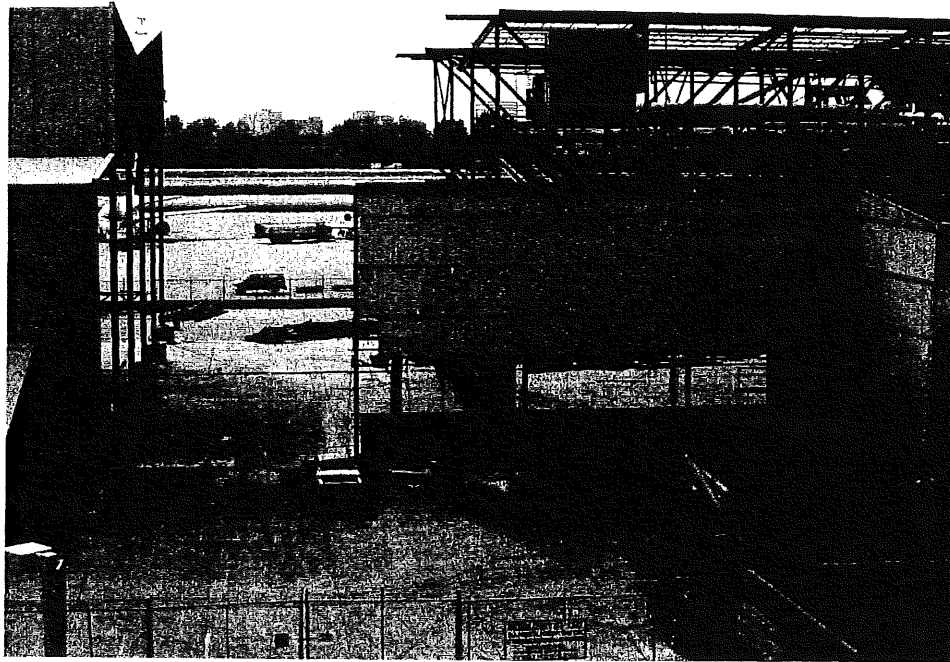


*Hangars 1 and 2,  
now demolished*

NWA tore down hangars 1 and 2 this past summer in anticipation of moving forward with their 20/20 plan, not yet announced at the time.

*Side of hangar 1, July 15*





*Between hangars 2  
and 3, October 7*

*Hangar 1, October 7*





**METROPOLITAN AIRPORTS COMMISSION**

Minneapolis-Saint Paul International Airport

6040 - 26th Avenue South • Minneapolis, MN 55450-2799

Phone: (612) 726-8100

January 14, 2005

Mr. James Greenwald  
Vice President - Facilities and Airport Affairs  
Northwest Airlines  
Department A1130  
5101 Northwest Drive  
St. Paul, Minnesota 55111-3034

VIA FACSIMILE (612-726-6599) & U.S. MAIL

Dear Jim,

At this week's Commission's Committee meeting, State Legislature questions arose about Northwest's plans for Building B at MSP. Could you please provide answers to the following questions:

- 1) Over the next 10 to 15 years as MAC builds out the airport to meet future capacity needs, do you believe Northwest Airlines will need space on airport property for additional buildings.
- 2) Is it the intention of Northwest Airlines to vacate Building B regardless of whether there is any implementation of the 2020 Vision?

Thank you.

Sincerely,

Vicki Tigwell  
Chair

The Metropolitan Airports Commission is an affiliate of  
www.mspairport.com

Bellevue Airport • ANGLAKS • ANOKA COUNTY/BLAINE • CRYSTAL • FLYING CLOUD

# MAC Letter to NWA Regarding Building B Plans

## January 14, 2005

At this week's Commission's Committee meetings and in testimony before the State Legislature questions arose about Northwest's plans for building use at MSP. Could you please provide answers to the following questions:

- 1) Over the next 10 to 15 years as MAC builds out the airport to meet future capacity needs, do you believe Northwest Airlines will need space on airport property for additional buildings.
- 2) Is it the intention of Northwest Airlines to vacate Building B regardless of whether there is any implementation of the 2020 Vision?

Thank you.

Sincerely,

Vicki Tigwell  
Chair

**METROPOLITAN AIRPORTS COMMISSION**  
Minneapolis-Saint Paul International Airport  
6040 - 28th Avenue South • Minneapolis, MN 55450-2799



**NORTHWEST  
AIRLINES.**

James M. Greenwald  
Vice President  
Facilities and Airport Affairs

Northwest Airlines, Inc. 612 726-2300  
Department A1150 612 726-6569 Fax  
2706 Lone Oak Parkway  
Eagan MN 55121-1934  
www.nw.com

January 17, 2005

Ms. Vicki Tigwell, Chairwoman  
Metropolitan Airports Commission  
6040 28<sup>th</sup> Avenue South  
Minneapolis, MN 55450-2799

Dear Vicki:

This is in response to your letter of Friday, January 14, 2005.

1) You asked about our current and anticipated near term needs for facilities and our planned use of Building B.

2) We do not now anticipate a need for additional hangars or facilities at MSP in the foreseeable future. We note, however, that the current master plan includes industrial facility sites west of the airfield which should be available for any needs we may have in the longer range timeframe.

It is currently the intention of Northwest Airlines to wholly or substantially vacate the Building B lease in the future regardless of the 2020 Vision implementation.

Sincerely,

James M. Greenwald



# NWA Response to MAC Inquiry

## January 17, 2005



**METROPOLITAN AIRPORTS COMMISSION**  
Minneapolis-Saint Paul International Airport  
6040 - 28th Avenue South • Minneapolis, MN 55450-2799



James M. Greenwald  
Vice President  
Facilities and Airport Affairs

Northwest Airlines, Inc. 612 726-2500  
Department 41120 612 726-6599 Fax  
2700 Loop Oak Parkway  
Eagan MN 55121-1434  
www.nwa.com

January 17, 2005

Ms. Vicki Tigwell, Chairwoman  
Metropolitan Airports Commission  
6040 28<sup>th</sup> Avenue South  
Minneapolis, MN 55450-2799

Dear Vicki:

This is in response to your letter of Friday, January 14, 2005.

You asked about our current and anticipated near term needs for facilities and our planned use of Building B.

We do not now anticipate a need for additional hangars or facilities at MSP in the foreseeable future. We note, however, that the current master plan includes industrial facility sites west of the airfield which should be available for any needs we may have in the longer range timeframe.

It is currently the intention of Northwest Airlines to wholly or substantially vacate the Building B lease in the future regardless of the 2020 Vision implementation.

Sincerely,

James M. Greenwald

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It is currently the intention of Northwest Airlines to wholly or substantially vacate the Building B lease in the future regardless of the 2020 Vision implementation.

Sincerely,

James M. Greenwald

# NWA Response to MAC Inquiry

## January 17, 2005

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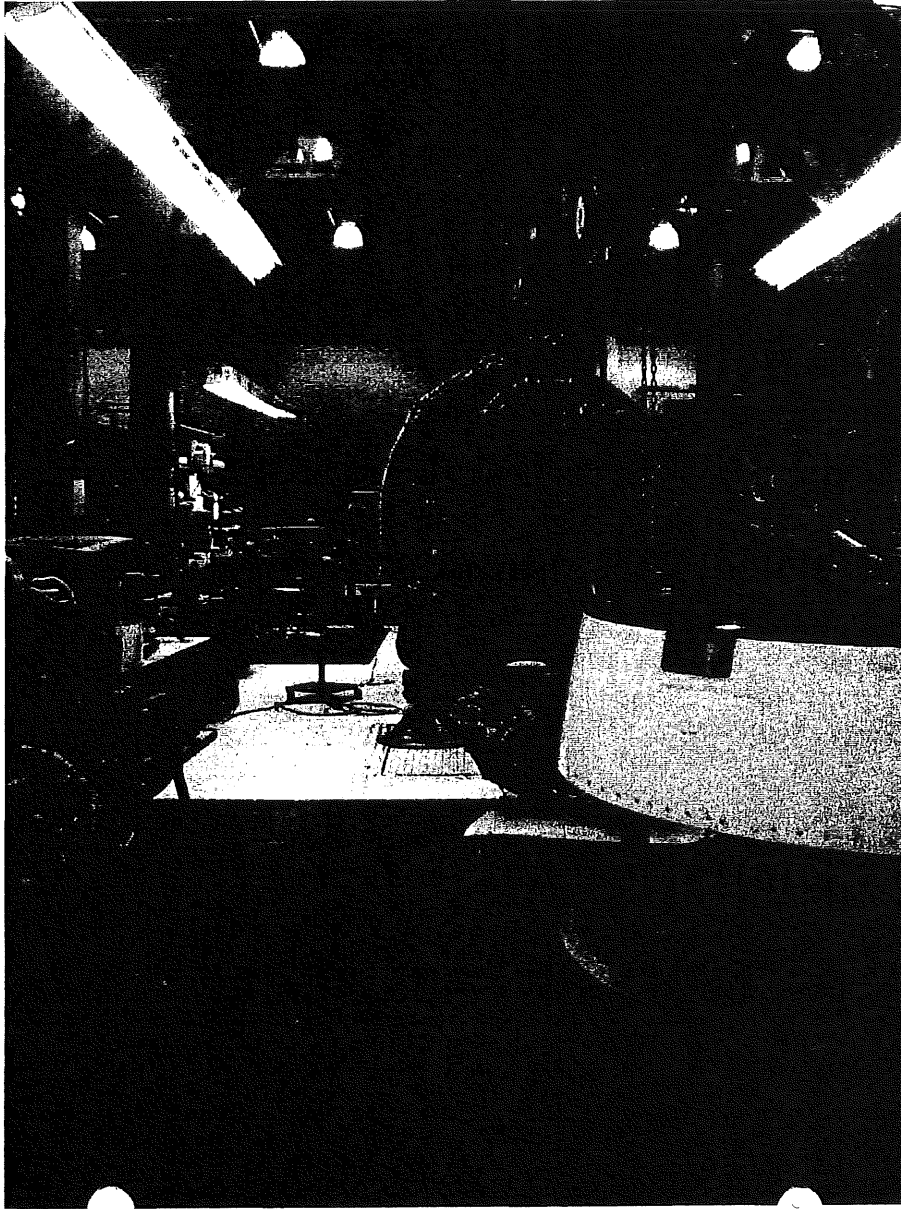
## Different Reason, Same Problems

- Whether NWA demolishes Building B as part of the 20/20 plan or because it decides it no longer wants it, eliminating these hangars and shops is bad for the airport and the state:
  - MSP loses a valuable facility.
  - Job losses hurt Minnesota's economy.
  - NWA goes further out of compliance with its 1994 agreement with the State.
  - Our aircraft are maintained outside the state, possibly outside the country.

## **MAC, Legislature Should Use Their Authority to Block the Demolition**

- MAC has authority over all facilities built on the airport, as recently reaffirmed by NWA in a memorandum of understanding regarding the demolition of hangars 1 and 2.
- The Legislature has a responsibility to uphold the terms that NWA agreed to in 1994 in exchange for grants and financing from the State of Minnesota.

## Building B: A Valuable Facility



The engine shop and accompanying test cell represent a large investment, and are technically advanced.

## Building B: A Valuable Facility



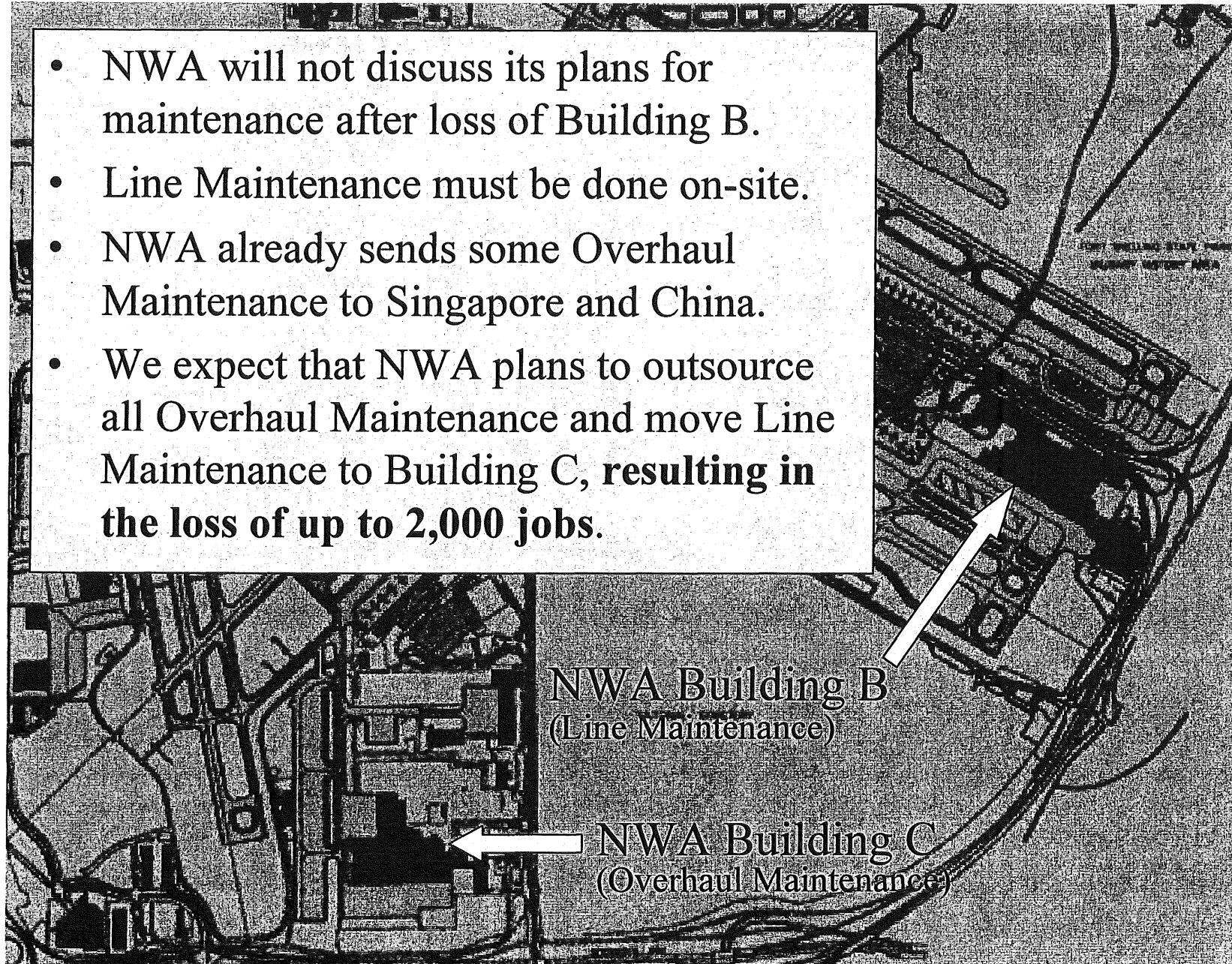
Building B's hangars handle line maintenance on Northwest's fleet.

## **Problems at Airport Stemming From the Loss of Building B**

- Lack of maintenance facilities could hurt MSP's competitiveness.
- Increased ground congestion as a result of extra runway crossings.

# Up to 2,000 Aircraft Technician Jobs Lost

- NWA will not discuss its plans for maintenance after loss of Building B.
- Line Maintenance must be done on-site.
- NWA already sends some Overhaul Maintenance to Singapore and China.
- We expect that NWA plans to outsource all Overhaul Maintenance and move Line Maintenance to Building C, **resulting in the loss of up to 2,000 jobs.**



NWA Building B  
(Line Maintenance)

NWA Building C  
(Overhaul Maintenance)

## Implications of Technician Job Loss

- These 2,000 technician jobs are already supporting Minnesota families today – their loss would be a huge blow to the region.
- As Gov. Pawlenty said in a March 2003 letter, two additional Minnesota jobs are immediately lost for each technician job cut.



## **NWA Is Already In Violation of 1994 Agreement With State of Minnesota**

- Because of the layoffs that have already taken place, NWA is already not meeting the commitments it made to the State in 1994 (“Public Policy Covenants”) in exchange for a generous financing agreement.
- Soon after Minnesota granted NWA financing, AMFA members at NWA also took pay cuts to help the airline.
- Additional layoffs would put the airline further out of compliance.

# 1994 Public Policy Covenants

- NWA must:
  - Maintain headquarters and hub at MSP.
  - Maintenance facility in Duluth to employ at least 350 employees.
  - Reservations center in Chisholm to employ at least 500 employees.
  - Must employ a minimum of 17,883 employees in Minnesota, *not including* new employees at Duluth and Chisholm.

## **Legislature Must Demand that NWA Keep Its Commitments to Minnesota**

- NWA is bound by the agreement until it pays off its loan from MAC, on which it still owes \$260+ million.
- The State of Minnesota directly contributed \$24 million in state-backed bonds to the agreement.
- The City of Duluth and St. Louis County also helped fund the agreement.

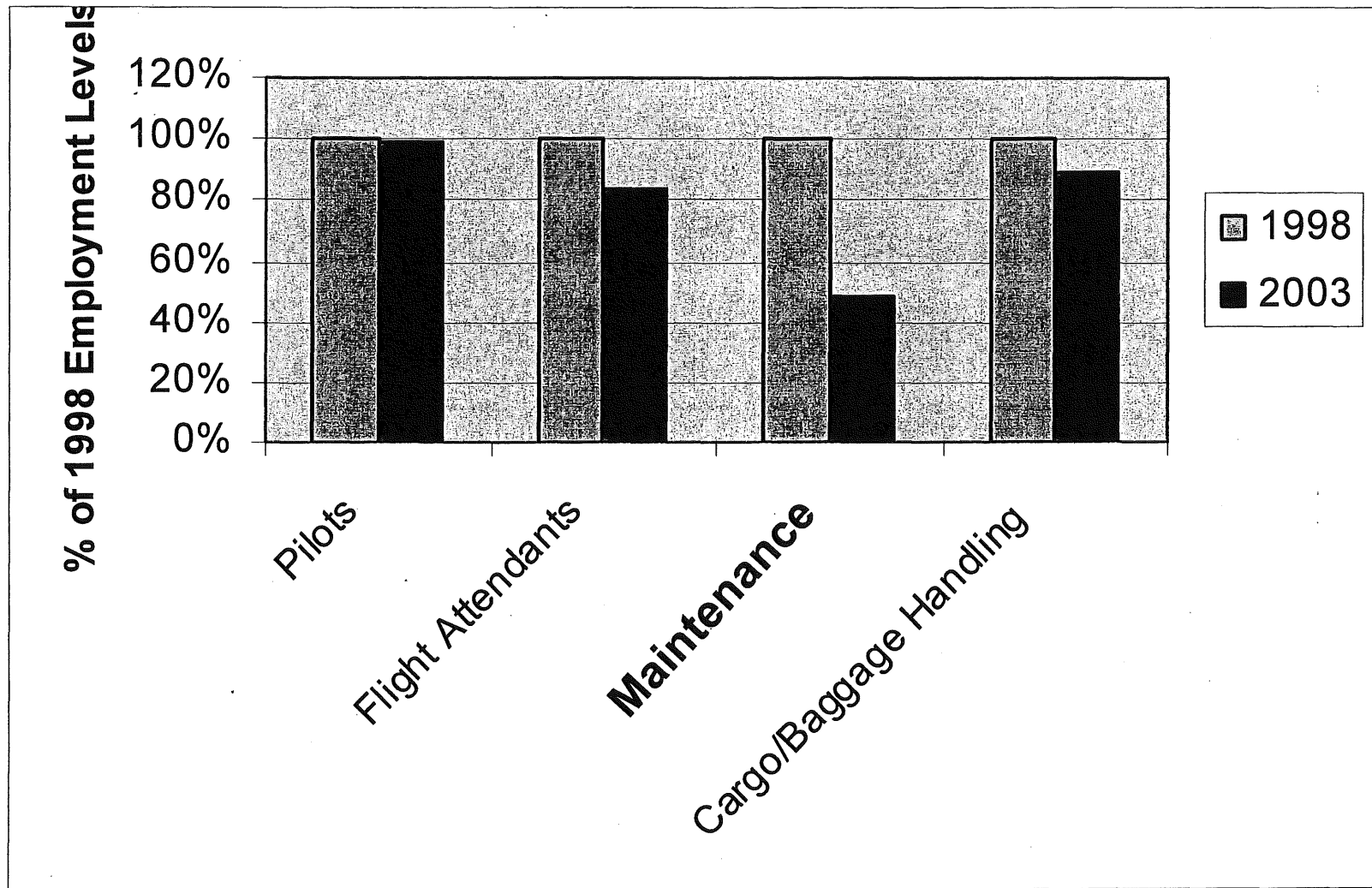
## **Legislature Must Demand that NWA Keep Its Commitments to Minnesota**

- NWA is already well below the minimum employment level of 17,883—it currently has under 16,000 employees in Minnesota.
- Because NWA is aggressively outsourcing aircraft maintenance, it could affordably comply with the agreement by bringing work back in-house.
- Yet NWA has just announced it will layoff more technicians.

## Just-Announced Layoffs Reveal NWA's Intent

- NWA announced earlier this month that 130 technicians at MSP would be laid off almost immediately, and an additional 800 within months.
- The company links the layoffs to the parking of 30 DC-9s, but at NWA's 8.5 mechanics per aircraft, this does not add up. ( $8.5 \times 30 = 255$  technicians)
- The real driving factor behind the layoffs is the company's outsourcing of maintenance elsewhere in the U.S. and overseas.

# Employment Levels By Group at NWA: 1998 vs. 2003



Source: Bureau of Transportation Statistics<sup>22</sup>

## **Other Concerns About 20/20 Plan: *Risks of Outsourcing Maintenance***

- NWA already outsources Overhaul Maintenance to Singapore (DC-10s, 747s) and China (747s).
- As a result of Building B demolition, domestic fleet Overhaul Maintenance would probably be sent to Mexico, South America and the southern U.S.

## Outsourcing Aviation Maintenance Increases Safety, Security Risks

- Technicians at MSP are secure, with FBI background checks required – background checks are *not* required at vendors.
- Workers at vendors tend to be less experienced, workforces transient.
- *Far* less FAA oversight at vendors.



## **Outsourcing Risks:**

### ***Transient Workforces***

- A recent incident at TIMCO, a vendor in North Carolina used by Delta and United, shows the problems: 27 illegal aliens who were working as employees were arrested, 5 of whom had managed to get FAA licenses.
  - This is a security problem and a safety problem.
  - Such an incident would be very unlikely at NWA, because our members spend their entire careers here – many vendors use temporary labor.

## **Outsourcing Risks:**

### ***Less FAA Oversight***

- U.S. DOT Inspector General report, July 2003: An unidentified major airline underwent about 400 inspections of its own facilities, while its foreign outsource vendors had a total of 7 inspections. The airline spent 44% of its maintenance dollars on outsourced maintenance that year.

## Improving the 20/20 Plan

- Regardless of the status of the 20/20 plan, Building B should be retained.
- Even if MAC proceeds with the 20/20 plan, options are available to address its call for demolition of Building B.

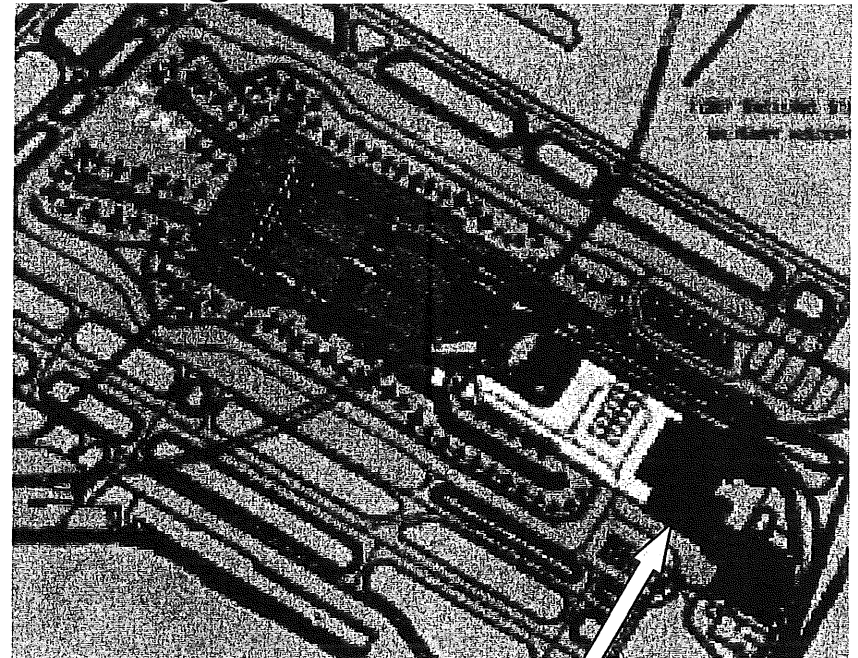
## **Improving the 20/20 Plan: *Build Replacement Facilities***

- MAC should build hangar and shop space to replace those being demolished for expansion.
- Sun Country, Mesaba, UPS and FedEx hangars were all rebuilt by MAC as part of new runway project.

## Improving the 20/20 Plan: *Omit Last Phase of Demolition*

- Retain hangars 6 and 7, engine shop and test facility.
  - Most valuable parts of Building B.
- This portion of Building B is slated for destruction in Phase 3 to make way for 10 small regional jet gates.
  - Could be placed elsewhere on terminal.

Lindbergh Terminal After Phase 2



*Hangars 6 and 7 and  
engine shop.*

# **We Must Secure the Future of the Airport and the State – the 20/20 Plan Does Not**

- Demolition of Building B would be a loss to MSP and Minnesota, jeopardizing our status as a leader in aviation.
- Airport expansion is necessary, but sacrificing Building B is just as shortsighted as failing to plan for expansion.
- This huge project must be carefully evaluated, planned and executed in the best interest of the airport, workers, Northwest Airlines and Minnesota.
- NWA must be required to honor its commitments.



**NORTHWEST  
AIRLINES®**

*James M. Greenwald*  
Vice President  
Facilities and Airport Affairs

Northwest Airlines, Inc.                      612 726-2300  
Department A1130                              612 726-6599 Fax  
2700 Lone Oak Parkway  
Eagan MN 55121-1534  
www.nwa.com

March 31, 2005

The Honorable Steve Murphy  
Chairman of the Senate Transportation Committee  
Minnesota State Senate  
306 State Capitol  
St. Paul, MN 55155

Dear Chairman Murphy and Committee Members:

Northwest Airlines joins the Metropolitan Airport Commission (MAC) and other key Minnesota organizations in endorsing the MAC's 20/20 plan to expand and improve facilities at Minneapolis/St. Paul International Airport (MSP).

MSP faces a significant challenge for which it must find a timely solution. Within its current infrastructure, MSP finds itself at capacity with limited opportunity for airlines to initiate or expand service during peak times. While the Lindbergh Terminal is often operating at full capacity, all indicators show that demand for air service in the region will continue to increase in the years to come. The Twin Cities are expected to grow by one million people, MSP is anticipating 60 percent passenger growth over the next 15 years and the Federal Aviation Administration recently issued a report that projected the doubling of passengers in the United States in the next decade.

In order for the airlines serving MSP to handle the projected increase in passengers, MSP must expand its facilities. The 20/20 plan allows the region and the state to implement a responsible plan that allows MSP to handle future growth in a prudent manner. Additional terminal gates will allow airlines serving MSP to grow, offering new service to markets across the globe. This would seem to be appropriate public policy in addressing the travel needs of the people of Minnesota.

Under normal circumstances Northwest Airlines would welcome the opportunity to appear before the committee in support of the MAC's 20/20 plan. However, some parties have attempted to exploit this opportunity in order to advance unrelated agendas. In particular, efforts to link the 20/20 plan to ongoing labor relations between Northwest Airlines and one of its labor unions are unfounded.

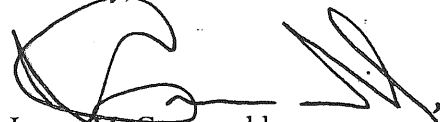


For example, it has been speculated that Northwest Airlines made the difficult decision to furlough additional mechanics because of the implementation of the 20/20 plan. This is categorically false. This recent decision to reduce domestic capacity by up to three percent and remove 30 aircraft from our fleet during the remainder of 2005 is a result of high fuel costs, fare-restructuring initiatives by competitors and general overcapacity in the domestic marketplace. The service reduction is not connected with the 20/20 plan. In addition, this decision was not made to increase Northwest Airlines' maintenance outsourcing. The result of this decision is that the airplanes will be grounded and no maintenance will be required. No outsourcing will result from this action. In fact, the amount of outsourcing will decrease because some outsourced DC-9 work also will be eliminated.

Attempts to link the 20/20 plan to Northwest's labor relations should cease immediately. The decision of whether or not to proceed with the proposed expansion of MSP does not have any direct effect on Northwest Airlines' need to develop a business model that permits the company to compete within the airline industry.

I am confident that by continuing to objectively evaluate this exciting proposal that you will realize the clear benefit that it provides to Minnesota and the opportunity for MSP to retain its position as a leader in large U.S. airports.

Sincerely,

A handwritten signature in black ink, appearing to read 'James M. Greenwald', is written over a horizontal line. The signature is stylized and cursive.

James M. Greenwald



STATE OF MINNESOTA  
COUNTY OF RAMSEY

SENATE  
COMMITTEE  
ON TRANSPORTATION

---

In the Matter of Senate File No. 208,  
Northwest Airlines maintenance or hangar  
facilities demolition delay.

---

**SUBPOENA**

**The State of Minnesota to Douglas M. Steenland:**

You are commanded to appear before the Committee on Transportation of the Minnesota State Senate, to give testimony in the above-entitled matter, at Room 15 of the State Capitol, St. Paul, Minnesota, on April 12, 2005, at 3:00 p.m. For failure to respond without lawful excuse, you will be deemed liable to the penalties prescribed by law.

Dated: \_\_\_\_\_, 2005

---

Patrick E. Flahaven  
Secretary of the Senate  
231 Capitol  
St. Paul, MN 55155