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December 11, 2008

The Honorable Harry Reid
Majority Leader
United States Senate
S-221, United States Capitol Building
Washington, DC 20510

Dear Majority Leader Reid:

The National Business Aviation Association (NBAA) represents a diverse group of approximately 8,000 U.S. businesses located across the nation, which have one common attribute: they depend on business aviation to help them survive and compete in an intensely harsh and unforgiving marketplace.

We are writing to express our concern with H.R. 7321, the Auto Industry Financing and Restructuring Act. Section 12(b)(4) appears to prohibit the use of business aviation in ALL situations, including when it is the sole mode of transportation available to a business, or it is the most prudent and cost-effective solution to a given transportation challenge.

While we understand the intent of Congress to address a specific situation dealing with the auto industry, we believe that the broad wording of the provision could be misinterpreted as suggesting that Congress does not recognize the critical importance of this mode of transportation to the success of U.S. businesses facing unprecedented international competition, the economic development of small towns and rural communities, and the jobs of hundreds of thousands of U.S. workers.

As you know, business aviation helps companies all across the United States do more in less time. That is because employees can work collectively en route to a destination and stay in constant contact with the home office for the duration of the mission. The airplane also promotes efficiency, because it reduces the time needed for employee travel, and allows companies to visit three or four cities in a single day.

Business aviation also helps companies compete, because it often provides the most cost-effective mode of transportation for employees. This is particularly the case when companies are trying to move teams of people long distances while keeping hotel and other travel costs down.

It's also worth noting that business airplanes help companies compete by allowing them to quickly transport company products or highly specialized or fragile equipment that cannot be shipped or carried on the airlines. If an assembly line goes down as a result of equipment failure, it becomes imperative for a company to get replacement parts on site in hours rather than days.

The competitive benefit of this asset reaches the companies that use it at every level: A survey of NBAA Members has found that 86 percent of passengers aboard business airplanes are not a company's senior officials, but instead are mostly mid-level employees, including salespeople, engineers, or other technical specialists.

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These benefits are realized by companies of all sizes, in all locations. After all, eighty-five percent of companies that utilize business aviation in the U.S. are small and mid-size. Often, these are located or have facilities in communities with little or no scheduled airline service, and company travel to these rural and remote locations can *only* be accomplished on a general aviation aircraft. With about 100 U.S. cities having lost airline service in the past year, it's easy to understand why so many smaller towns have found business aviation to be a critical lifeline for their economic development. Nobody wants to see a company be forced to move simply because its community has lost its commercial airline service.

All of this is not to suggest that business aviation is always the best transportation option. Good businesses match the right transportation option with each trip. NBAA Member companies have integrated transportation policies to ensure that the most appropriate mode of transportation is used for a given mission. Our surveys have shown that companies that use business aviation as a solution to some of their transportation challenges also rely heavily on the commercial airlines, purchasing \$12 billion worth of airline tickets annually. Still, business aviation is the most prudent and cost-effective transportation solution in a wide number of situations.

Finally, because NBAA represents thousands of companies that depend on business aviation, the Association by extension represents hundreds of thousands of workers who support this essential mode of transportation. These workers include schedulers, dispatchers, maintenance technicians, pilots, training professionals, insurers, and many other disciplines. Congress should recognize that these are good jobs, performed by good people. The work they do matters to the companies they work for, the communities they live in, and our nation as a whole.

In summary, we understand the importance of absolutely providing the American taxpayers with the strongest assurances possible that any federal monies provided to the U.S. auto companies will be utilized to protect jobs and for positive structural reforms to the domestic industry. However, we again urge you to craft this legislation in a manner which does not inadvertently harm another critical U.S. industry. We want to be careful not to hurt the ability of American companies to do the things that allow them to keep people working and to compete.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Bolen', with a horizontal line extending to the right.

Ed Bolen
President and CEO
National Business Aviation Association