



March 3, 2009



The Honorable James Oberstar
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515



AIR TRANSPORT ASSOCIATION



Dear Chairman Oberstar:



Earlier this month, our coalition wrote to you of our commitment to help reach an agreement on a long term Federal Aviation Administration authorization bill which we believe must be negotiated as soon as practicable.



AIRPORTS COUNCIL INTERNATIONAL

Today, we write not only to express our appreciation for the work that produced the FAA Authorization Act of 2009, H.R. 915, but also to urge a return to the robust general fund contributions to the FAA budget that we saw in decades past. The public funding which helped create today's system is needed to build tomorrow's.



Rebuilding our national air transportation system is every bit as important as investing in our highways, bridges and transit systems. The global economy of the 21st Century needs a vibrant civil aviation system supported by an efficient, sustainable infrastructure. We believe it is appropriate that our national airspace infrastructure receive a general fund contribution of at least 25 percent for the following reasons:



- **The use of revenues from the General Fund of the U.S. Treasury to pay for a significant portion of the FAA's costs is long-established national policy.** Congress has been using the General Fund to help fund the FAA and its predecessors since passage of the Air Commerce Act in 1926. Historically, General Fund revenues have been used to pay for a significant portion of the FAA's costs and reflect the public's interest in a safe and efficient air transportation system. In fact, as recently as 2003, the general fund of the U.S. Treasury contributed 25 percent of FAA's total budget. The national system of airports, heliports and airspace plays a key role in supporting a number of national priorities, including national defense, emergency preparedness and response, the delivery of people, goods and services via interstate and international commerce, postal delivery to all sections of the country, emergency medical flights/organ delivery and national and local economic development. In times of national crisis or natural disaster, a robust aviation system is central to our country's relief efforts. Aviation is a lifeline to small communities.



NAMA National Association of Manufacturers

NASAO National Association of State Aviation Officials

NBAA

RAA Regional Airline Association



- **A modern, efficient system provides economic and trade benefits for the entire nation.** Collectively, our companies and members run the facilities and produce, fly, train, maintain, or hire the people and equipment that help make our national air transportation system the gold standard around the world. Our industry is responsible

for about 5.6 percent of U.S. GDP. The aerospace manufacturing sector has the highest export surplus in the U.S. economy - \$61 billion in 2007. Our industry helps drive 11 million jobs and 1.3 trillion dollars in economic activity. Almost 50 percent of the people and goods that fly worldwide, at some point in their journeys, touch U.S. airspace. Aviation transports 2 percent of the world's freight, but 40 percent of its value. In August 2008, Moody's Economy.com chief economist Mark Zandi remarked that "Aviation is the glue that keeps the global economy together. Without widely accessible and well-priced air travel, the global economy will quickly become less global."

- **A General Fund contribution of 25 percent will pay for the Next Generation Air Transportation System (NextGen).** The FAA estimates that NextGen will require about \$1 billion additional per year to implement. If FAA's other revenue streams remain constant, an increase in General Fund contribution from 18 to 25 percent represents the additional investment needed to fund NextGen. NextGen will bring huge economic and environmental benefits by reducing delays, noise and CO2 emissions. In this way, added General Fund contributions are tax dollars well spent.

Use of General Fund revenues for FAA costs recognizes that all Americans materially benefit from a safe and efficient air transportation system, regardless of whether or not they ever board an aircraft. The national necessity of a strong air transportation system was clearly demonstrated when civil aviation was grounded immediately following the terrorist attacks of Sept. 11, 2001. The economic interests of small business owners, taxi drivers, hotel workers, and restaurant employees were among those directly harmed, but everyone with a stake in the American economy felt the effect of the grounding. Aviation is a critical national asset.

For all of these critical national priorities, we urge you to support our U.S. air transportation system with an increased General Fund investment of at least 25 percent. We pledge the support of our respective memberships going forward on this issue. Please do not hesitate to call on us.

Sincerely,

*Aerospace Industries Association
Aerospace States Association
Air Carrier Association of America
Air Transport Association
Aircraft Owners and Pilots Association
Airport Consultants Council
Airports Council International-North America
Cargo Airline Association
General Aviation Manufacturers Association*

*Helicopter Association International
National Air Carrier Association
National Air Transportation Association
National Association of Manufacturers
National Association of State Aviation Officials
National Business Aviation Association
Regional Airline Association
U.S. Chamber of Commerce*