

STATEMENT OF ED BOLEN

PRESIDENT AND CEO

NATIONAL BUSINESS AVIATION ASSOCIATION

SUBCOMMITTEE ON AVIATION

**COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE**

U.S. HOUSE OF REPRESENTATIVES

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President and CEO
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Chairman Petri, Ranking Member Costello, members of the of the Subcommittee, on behalf of the National Business Aviation Association, I am pleased to have the opportunity to provide our views on the future of our national air transportation system as you consider FAA reauthorization legislation early in the 112th Congress.

We commend the Subcommittee for your commitment to improve our nation's aviation system and on-going efforts to foster economic growth and job creation during these challenging economic times. NBAA strongly supports these efforts and believes that the importance of a robust aviation system cannot be overemphasized.

Aviation, including business aviation, is a vital link in our transportation system and powerful engine for job creation and economic growth. Ensuring that the United States has the largest, safest, and most efficient air transportation system is clearly in our country's interest and should be a national imperative.

NBAA was founded 64 years ago to represent companies of all sizes that utilize general aviation aircraft as a tool for meeting some of their transportation challenges. NBAA and our members are committed to working with the government to transform and modernize the nation's aviation system. Likewise, we are committed to policies that support the continued growth of each aviation segment, including general aviation, which plays a critical role in driving economic growth, jobs and investment across the U.S. We strongly support the shared goal of keeping our national aviation system the best in the world.

General aviation is an essential economic generator, contributing more than \$150 billion to annual U.S. economic output, and directly or indirectly employing more than one million people. Most general aviation aircraft operating around the world are manufactured and/or completed in the U.S., and our industry is continuing to build a strong American manufacturing and employment base that contributes positively to our national balance of trade.

FACTS ABOUT BUSINESS AVIATION

Business aviation is an FAA-defined term. According to the FAA, business aviation is the use of any general aviation aircraft – piston or turbine – for a business purpose.

From creating growth opportunities and global connectivity for America's small towns and rural areas to supporting the nation's productivity, business aviation is an important economic engine, creating jobs and investment, while contributing to the world's leading aviation system. Simply put, business aviation is a vital part of the nation's economy and transportation system.

The U.S. aviation system is fully integrated. Each player is critical to the success, strength and growth of our economy. As you know, the system is made up of three segments:

- Scheduled operations, including passenger airlines;
- Military, and;
- General aviation.

General aviation includes diverse operations, with business uses that range from agriculture, to law enforcement, to fire and rescue services, to varied government, educational, nonprofit and business organizations. Servicing and supporting these organizations are FBO's, maintenance technicians, suppliers and service providers.

The business aviation fleet is dominated by pistons and turboprops, with over 80 percent of the business aircraft in the U.S. having cabins about the size of an SUV, and flying on average less than 1,000 miles. The vast majority of these GA operators use small aircraft that seat no more than eight people.

A Vital Lifeline for Main Street

In small towns and rural areas across America, business aviation is an essential tool that enables businesses to thrive, grow and create jobs in their hometowns. That's because in many instances, there are no other transportation options that meet their needs.

Many small and mid-size businesses are located in areas without scheduled airline service. Businesses of all sizes require in-person travel for such operations as sales, technical support and other types of customer service. Such trips may call for multiple stops in a short period of time or travel to remote locations. Often, the distances are too long to drive or airline service is not available.

A 2009 survey of business aviation pilots and passengers, conducted for NBAA and GAMA by Harris Interactive, concludes that managers, technical teams and other employees are the typical passengers on business aircraft – not senior executives.

A Lifeline in Disaster and Emergency

The business aviation community is not only an economic lifeline for thousands of our nation's communities; it also supports people and communities in times of crisis.

For example, in the days and weeks following Hurricane Katrina, hundreds of thousands of pounds of supplies were transported into small airports throughout the Gulf Coast region aboard business aircraft. These aircraft also were used to transport victims out of harm's way.

General aviation has snapped into action when there's a need to confront floods in the Midwest, fires in the West, or a whole host of other natural disasters. The business aviation community – working mostly on a volunteer basis – has always been quick to help assess damage, rescue those affected by these disasters, and carry in lifesaving support and supplies to the affected regions.

In addition, hundreds of GA operators carried thousands of passengers and over a million pounds of supplies to and from Haiti after the devastating earthquake there. In fact, Congress passed a resolution commending business aviation for its response to the crisis.

The ability of general aviation to provide an immediate response to a need is visible even today – over the past two weeks, general aviation has been assisting with the transportation of U.S. citizens departing from Egypt.

The people who rely on a general aviation aircraft for business are also dedicated to helping provide lifesaving flights to the communities in which they live and work. Operations like the Corporate Angel Network arrange free air transportation for cancer patients traveling to treatment using the empty seats aboard business airplanes. Angel Flight America's seven member organizations and 7,200 volunteer pilots arrange flights to carry patients to medical facilities.

Veterans Airlift Command uses business airplanes and unused hours of fractional aircraft ownership programs to provide free flights for medical and other purposes for wounded service members, veterans and their families.

Veterans Airlift Command finds volunteers in the business aviation community to fly missions on request and contribute the full cost of their aircraft and fuel for the missions flown.

ECONOMIC CHALLENGES FACING GENERAL AVIATION

Unfortunately, the people and businesses in general aviation, like other industries, are weathering one of the worst economic storms anyone has ever seen. The impact of the flagging economy on the companies and communities that rely on general aviation has been visible in all parts of the country.

During the economic downturn, we saw business aviation flying decrease by as much as 35 percent in some locations. The inventory of used airplanes available for sale reached an all-time high, with close to one in five airplanes for sale. Prices for business airplanes declined by 40 percent, and employment at leading general aviation companies fell by as much as 50 percent. While we have seen some uptick in flight activity in recent months, activity is still below the 2008 levels and experts agree that the recovery is likely to be slow and gradual over the next several years.

FAA REAUTHORIZATION AND SYSTEM MODERNIZATION

While much has changed for the industry I represent as a result of the recession, one thing has remained constant: our continued support for modernization of the nation's air traffic control system. We commend the Subcommittee for conducting this thorough examination of system modernization.

Accelerating the transition to the Next Generation air transportation system will advance important national objectives including: further reducing the industry's environmental footprint, reducing long-term costs at the FAA, enhancing safety, expanding system capacity and reducing delays.

General aviation has long been at the forefront of the modernization effort. We were early adopters of GPS navigation systems. We helped initiate the ADS-B test program in Alaska – a test program that is now the cornerstone technology of the modernization effort. We also participated in the ADS-B experiments at the Atlanta Olympics in 1996. In 2005, we supported our nation's transition to Reduced Vertical Separation Minima (RVSM), which effectively doubled our en route airspace capacity.

So, while general aviation has never been nor is it projected to be a major cause of system delays, we have a strong record of working tirelessly to expand system capacity and improve system efficiency.

In order to expedite the transition to a Next Generation (“NextGen”) aviation system, there have been some discussions between government and industry on possible creative approaches to encourage investments in aircraft equipage that will streamline the system and further reduce aviation’s already small environmental footprint. In the event that the Subcommittee considers such policy questions, we urge you to ensure that any such conceptual approach be equally available to all operators in the system.

Along with other industry stakeholders, we support the following principles:

- 1) Financial incentives must be available for both commercial and general aviation equipage;
- 2) Private-sector support may be leveraged for this effort;
- 3) There must be accountability for the federal government to minimize risk for the aviation industry;
- 4) The focus should be on core technologies including performance based navigation, automatic dependent surveillance - broadcast, ground based augmentation system, and data communications; and
- 5) The range of financial incentives must be flexible to match the different capabilities and technologies involved.

In conclusion, NBAA strongly supports passage of legislation to reauthorize the Federal Aviation Administration, and urges the House to expeditiously approve this critical legislation. A multi-year reauthorization will provide much-needed long-term direction and stability to the Federal Aviation Administration. The bill will enable the agency to do the critical long-range planning, and make the long- range investments in airport infrastructure and technology that are needed to modernize and expand the system. The time to enact a strong multi-year reauthorization bill is now.

Despite the current economic challenges facing the industry, we remain committed to aviation modernization through the following objectives:

- Modernize the aviation system to one based on satellite technology. NBAA supports transitioning to a future aviation system that is satellite-based rather than today’s ground-based navigation system.

- GA support for aviation modernization should build upon the proven, efficient fuel tax. The general aviation community has always financially contributed to the air transportation system through the payment of fuel taxes. These taxes are paid “at the pump,” so there are no administrative costs for compliance. Fuel taxes should remain *the* mechanism for general aviation to help fund the FAA and contribute to system modernization.

Past reauthorization bills helped fund the transformation to NextGen in part through an increase in the general aviation fuel tax. While no industry wants to pay additional taxes, particularly during these very challenging times, NBAA continues to support the fuel tax increase that was considered in the 111th Congress because we believe that the rapid transformation to NextGen is critically important to the vitality of the U.S. aviation system.

We are committed to working with the Congress to complete an FAA Reauthorization bill that achieves our shared goal of keeping the U.S. aviation system the safest, largest and most efficient in the world. NBAA and our Member Companies across the nation look forward to working with this Subcommittee to accomplish this vital national objective.

Thank you.