

Statement by

**Ed Bolen
President and CEO
National Business Aviation Association**

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On

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Introduction

Chairman LoBiondo, Ranking Member Larsen and Members of the Subcommittee, thank you for the opportunity to submit testimony as you and your colleagues undertake a very important debate over reauthorization of the Federal Aviation Administration (FAA), and the modernization of America's aviation system.

Ensuring that America continues to lead the world in all aspects of aviation is clearly in our country's best interest, and should be a national priority. I commend the members of this subcommittee for your continued commitment to our nation's aviation-transportation system. I also thank FAA Administrator Michael Huerta, and the many other stakeholders who have been involved in discussions regarding aviation system transformation.

The members of this subcommittee know that the business aviation community has long supported efforts to transform America's aviation system – that's why NBAA has been deeply involved in all of the major NextGen efforts.

Business Aviation is an Essential Industry

As those of you on this subcommittee are aware, business aviation is an important but not always well understood American industry. Knowing that, it's important to take a moment to define what business aviation is, and what its value is in America today.

Business aviation is a term defined by the FAA as the use of any general aviation aircraft – piston or turbine – for a business purpose. We are the segment involving entrepreneurs and companies – of all sizes, all across the United States – that use general aviation aircraft to meet their business objectives.

This includes an enormous diversity of operations. Fully 85% of business aviation operators are small and mid-size businesses. While some business aviation operators are household names, most are not—but they are critical to our nation's economy. Business aviation can be used for a variety of missions, including agricultural purposes, and entities also rely on it for public services, like law enforcement, fire and rescue, and other government services.

That said, in order to get past definitions and generalities, here are two examples to illustrate what business aviation looks like. In Washington State, a company called Northwest Boring, founded in 1951, uses business aviation to reach clients not just across the state, but also in Oregon and Montana. The small, family-owned company employs fewer than 25 people. Across the country, in Lancaster, New York, the Manitoba Recycling Company uses

business aviation to reach markets that can provide scrap metal for its recycling business.

The airplanes used by the entrepreneurs and companies in business aviation are mostly those with cabins about the size of an SUV, seating about six people and flying on average less than 1,000 miles per leg. Again, these are mostly small and mid-sized businesses, like the ones I've just mentioned.

As the members of this subcommittee know, businesses like these, and the airplanes they use, are located in every Congressional District in the United States. The states and Congressional Districts that some people sometimes refer to as "fly-over" places are those that a large number of NBAA's Member Companies call "home."

These small, often rural communities are fundamental to the future of the U.S. They are also fundamental to the future of business aviation. If you drive up to a community airport, in nearly any American town, you can easily see that the high-performance pistons, turboprops and entry-level jets that are based there are a key source of activity at those airports.

That activity is not only essential to job creation and local investment in surrounding communities; it's a major contributor to the nation's economy and transportation system. That's not just an empty statement: A recent study showed that general aviation, including business aviation, supports more than a million jobs in the U.S., and generates more than \$200 million in economic activity each year.

FAA Reauthorization: Overview And Guiding Principles

As we all know, the United States has the largest, safest, most complex, most diverse and most efficient air traffic control system in the world. Our member companies consistently tell us that flying in the U.S. is better, faster and easier than flying in any other country. But, being the best today does not mean we will necessarily be the best in the future.

That is why NBAA is fully committed to the work being done to transition to a Next Generation, or "NextGen" system. The goals of NextGen are to increase capacity, enhance safety and reduce our environmental footprint. Achieving these goals is the way to ensure that America's aviation system remains the world's leader, not the follower – whether that be five years, 10 years, or 30 years from now.

As I said before, the U.S. today has the best air transportation system in the world, but in order for us to be able to make that statement a decade from now, changes will be necessary. How we accomplish those changes is at the heart of the reauthorization debate. NBAA and its members are committed to the changes needed to make NextGen a reality, but we will not support

changes that fail to preserve business aviation's access to airspace and airports in a safe, predictable and affordable manner.

The debate over how to get from where we are to where we want to go is one NBAA believes should be undertaken in the context of data, facts and guiding principals. With that in mind, these are our guiding principles as we look to the debate over FAA reauthorization:

- **Make NextGen a reality.** NextGen is our plan to retain our world-leadership position in air traffic management; the question is, how do we make it a reality? That question is central to the reauthorization process. Unfortunately, the challenges are significant – NextGen is not simply a matter of “flipping a switch,” as some would have you believe. Make no mistake about it: no one is content with the clarity, pace or cost of the transition to NextGen to date – we need to do better.
- **Keep Congressional control over taxes, fees and charges.** The power to tax is the power to destroy, and for the people who have to pay them, mandatory taxes, fees and charges are all the same. Proposals are being put forward that would effectively take authority to fund our aviation system and put it in the hands of structures consisting of non-elected officials. A dialogue about finding a new governance structure is appropriate, but the composition and scope of its authority matters. Congress must retain authority over taxes, fees and charges. This is not a responsibility that can be transferred, delegated or outsourced.
- **No user fees.** As the members of this subcommittee know, the general aviation community, including business aviation, pays a fuel tax to fund its use of the aviation system. This mechanism is an unmatched proxy for system use, because the more often you fly, and the longer distances you fly, the larger your aircraft, and the more fuel you burn, the more taxes you pay. The fuel tax is also highly efficient: paying at the pump means full compliance, without a collection bureaucracy – a “SKY-R-S” – needed to administer fees or charges. The fuel tax also covers all of the air traffic control services, including those for flight safety, that are needed in a typical flight. We don't want to promote a disincentive for people to use safety services. Simply put, anything that could be done through a user fee, the fuel tax can do better. For all these reasons and more, Congress has repeatedly written to the current and previous Administrations in opposition to per-flight user fees, and should continue to oppose them.
- **Ensure predictable, affordable access to airspace and airports.** The inherent value of business aviation is the ability of companies to fly where they need to, when they need to. Things that impede our access to airports and airspace have the potential to do great harm. Business aviation must have continued access to our nation's airports and airspace. As we have learned in Australia and other parts of the world, this is not something that can be taken for granted.

- **Protect the privacy of those in flight.** The Automatic Dependent Surveillance–Broadcast (ADS-B) technology, a cornerstone of the FAA’s satellite-based NextGen system, does not currently include needed protections for operators’ privacy and security. While NBAA has long promoted the development of ADS-B, we have consistently pointed out that, in transitioning to satellite-based navigation and surveillance, we must ensure that it makes accommodations for privacy.

When it comes to ADS-B, we continue to believe that people should not have to surrender their privacy and security just because they travel on a general aviation aircraft. This committee was integral in protecting these rights previously, and we respectfully request that these privacy protections be addressed in the pending 2015 FAA Reauthorization bill as well.

- **Protect our airport system.** Our national system of airports was created to provide communities with access to a safe and adequate public system. We must ensure that our system of airports meets national objectives, including economic growth, defense, emergency readiness, law enforcement, postal delivery and other priorities.

Unfortunately, in certain regions of the country, attempts are being made to close important airports, even when federal investments and assistance have been provided to ensure these airports meet national economic and other priorities. We support giving the Secretary of Transportation sufficient discretion to allow an airport to remain open for purposes of protecting or advancing civil aviation interests of the United States, if standard conditions become unenforceable. Simply put, we must continue supporting facilities, at the federal level, as part of a single, national aviation-transportation system.

We strongly believe that airports should be good neighbors and should work with communities to maintain a balance between the needs of aviation, the environment and the surrounding residences. However, over the years, attempts have been made to create new restrictions and impediments for aviation users through airport curfews and other local initiatives to restrict access to airports. We must be vigilant in stopping ongoing attempts from local interests to compromise the national nature of our aviation system.

- **Improve the certification and approval process.** The approval process can be cumbersome, unnecessarily taking up time and resources. The FAA should constantly look for ways to keep or improve safety, while adopting more efficient, effective business-like processes.

- **Ensure the safe introduction and integration of new aviation technologies.** NBAA would also like to take this opportunity to commend the U.S. Department of Transportation (DOT) and FAA on their recent release of a notice of proposed rulemaking toward adopting a regulatory framework governing the commercial operation of small, unmanned aircraft systems (s-UAS) weighing less than 55 lbs.

The FAA has taken a good first step in releasing these initial guidelines to provide a much-needed regulatory structure for these operations. We urge the Committee to work closely with the DOT, FAA and the UAS industry as they work to integrate UAS into the national airspace system in a thoughtful, deliberative process focused on ensuring the safety and security of all aviation stakeholders.

- **Ensure continuity of government aviation services.** Aviation aircraft and parts cannot be produced, financed, bought or sold without the written approval of the federal government. When the FAA Registry Office was shuttered in the 2013 government shutdown, it significantly impacted much of America's general aviation industry, including thousands of businesses that use general aviation aircraft for parts delivery, customer visits, aircraft repairs, fuels sales, hanger construction and aircraft brokerage activities.

We urge the Committee to include language in the pending FAA reauthorization legislation which would ensure that the important aviation safety and security functions of the FAA Registry Office are protected from any future government shutdowns.

Conclusion

In conclusion, Mr. Chairman, Ranking Member Larsen and members of the Subcommittee, we are grateful for the continued leadership you provide in working with the aviation community to foster a vibrant industry and a strong, world-class aviation-transportation system. NBAA and the larger business aviation community look forward to working with you and other Congressional leaders on policies that support our nation's aviation system today, and ensure that it retains its world-leadership position in the future.