



AVIATION PRIORITIES FOR THE OBAMA ADMINISTRATION AND THE 11th CONGRESS

Comments of the Cargo Airline Association

Modernize the Nation's Aviation Infrastructure in the Air and on the Ground – For years, both government and industry have talked about modernizing the air traffic system and moving to a system based on modern, satellite-based, technology to replace today's ground-based radar. A central priority of the new Administration should be to move aggressively to fully define and implement this system as quickly as possible. Such action will provide better and more timely information to all segments of the aviation community and will thereby increase safety and efficiency both in the air and on the ground.

Recognizing that this paradigm shift will be an expensive undertaking, especially in lean economic times, consideration should be given to asking Congress to provide some form of tax relief to airlines that will have to spend billions of dollars to re-equip their avionics to take advantage of the new technology to be deployed. This relief can take the form of investment tax credits, accelerated depreciation or another innovative financial program.

Repair Labor-Management Relations – Over the past several years, the relationship between the FAA and its air traffic controllers' union has been significantly strained. While taking no position on the merits of any dispute between the Agency and the Union, we are concerned that the disagreements have the potential to impede necessary progress on aviation system modernization. The controllers need to be an integral part of the modernization process, not an impediment. Therefore, it should be a priority of the new Administration to take action to repair this relationship as quickly as possible.

Enact a Multi-Year FAA Reauthorization Bill – Closely related to the imperative of aviation system modernization is the urgent need for Congress to enact a Bill to reauthorize the programs and funding mechanism for the Federal Aviation Administration. This legislation is now overdue and every month of delay impedes the movement toward a safer, more efficient, aviation system.

Much of the delay in enacting this needed legislation has revolved around the funding mechanism for the FAA. Different industry segments have repeatedly sparred over the best way to fund the system, with retention of the status quo and conversion to a user fee system being the most commonly advanced ideas. With no indication that this argument will abate at any time in the near future, it should be a priority for the new Administration to work closely with industry and Congress to arrive at a funding system that

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

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provides an adequate stream of funding for the Agency and is fair for all system users. In view of the history of this issue, we respectfully suggest that a compromise funding solution is appropriate. Therefore, we suggest that the Administration and Congress consider funding the entire aviation system with an expanded fuel tax and eliminating all existing excise taxes. Such a system would better approximate system use and would be simple to understand and implement. In addition, by tying funding to fuel use, companies would have a major incentive to modernize their fleets, thereby providing better environmental performance.

Place an Increased Emphasis on Environmental Performance – One of the major impediments to aviation growth in the coming years will come from potential environmental costs and operating restrictions. The Administration should therefore place a high priority on addressing environmental concerns.

Both the House and Senate versions of the FAA Reauthorization bills considered in the 110th Congress contained sections on environmental initiatives necessary to meet today's challenges. These provisions, which included an industry/government consortium to develop technologies and procedures to address the issues of noise, aircraft engine emissions and global climate change, should be enacted and funded as quickly as possible. Indeed, if FAA Reauthorization again stalls, consideration should be given to enacting these provisions separately.

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