



**General Aviation
Manufacturers Association**

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General Aviation priorities in the next Administration

General Aviation (GA) is commonly defined as all aviation other than military and commercial airlines. There are more than 221,000 active GA aircraft in the United States. GA is an essential part of our transportation system connecting many communities lacking sufficient commercial air service and supporting many small- and medium-sized businesses, especially those in rural areas. Over half the hours flown by piston powered aircraft in the U.S. are flown for business purposes.

The domestic GA industry directly employs more than 225,000 people across the U.S. and an additional one million indirectly. Industry billings for airplane manufacturers in 2007 totaled close to \$12 billion, including \$4.6 billion in exports. Exports are growing with sales overseas expected to comprise close to half of all billings in 2008 for U.S. GA manufacturers. Overall, GA contributes approximately \$150 billion annually to the U.S. economy.

General aviation manufacturers represent a growing industry that is creating highly skilled, well-paying manufacturing jobs in the United States. Like other industries, we are concerned about the strength of the U.S. economy and ensuring the stability of our financial system.

We also face a number of specific aviation challenges and opportunities and we look forward to working with the new Administration to develop an aviation agenda which strengthens the safety, efficiency and security of the aviation system while mitigating the impact aviation has on the environment.

FAA reauthorization: The aviation community would be well served by the timely passage of an FAA reauthorization bill. Passage of such legislation would allow the new FAA leadership to focus on improving management-labor relations at the agency and revitalizing its air traffic modernization efforts rather than losing precious time to a prolonged reauthorization process. In this regard, we also believe the new Administration should move very quickly to nominate a new FAA Administrator and Deputy Administrator.

During the reauthorization debate last year, the GA community stepped up to address the pressing air traffic needs by supporting compromise legislation in the Senate that provides more resources for modernization. The compromise increases the GA jet fuel tax by 60 percent raising more than \$200 million annually for air traffic modernization. The GA industry supported this compromise, with funds raised through the existing tax mechanism rather than a user fee scheme, based on our commitment to accelerating air traffic modernization and the environmental benefits it will bring.

A user fee based system would create a new, costly user fee bureaucracy, dissuading Americans from buying or flying their own aircraft and negatively impacting our GA manufacturers in terms of growth and jobs. To revisit this compromise by re-introducing user fees as a potential financing mechanism simply delays the necessary funding and removes the focus from where it should be: addressing critical air traffic challenges to reduce air traffic delays, fuel consumption and greenhouse gas emissions.



Economic Stimulus: GAMA strongly encourages Congress and the Administration to include bonus depreciation for new aircraft purchased in 2009 in the new stimulus package to reinvigorate piston aircraft sales. The first stimulus bill included bonus depreciation for 2008 sales helping piston aircraft manufacturers mitigate further problems in an otherwise difficult sales year. However, sales are still dropping and the recent credit freeze has made it difficult for any potential customer to obtain the level of credit necessary to purchase an aircraft and take advantage of the 2008 bonus depreciation provision before the end of the year. Extending bonus depreciation in the new stimulus bill for 2009 new sales will help stimulate the piston market and help prevent further declines in sales and layoffs.

Aircraft certification: GAMA requests that the new Administration support funding for additional FAA aircraft certification personnel, particularly engineers. The current lack of personnel delays new products from entering the marketplace, slowing industry and export growth. With additional FAA certification engineers, manufacturers will be able to more rapidly introduce safe, efficient, environmentally friendly products to the marketplace. FAA aircraft certification is known around the world as the "gold standard" because of the agency's stringent manufacturing standards and strict adherence to safety. It is essential that the FAA maintain its leadership in this area by having sufficient certification personnel to handle the growing demand for GA aircraft. The current lack of resources has resulted in FAA sequencing certification projects, negatively impacting on U.S. jobs and competitiveness.

Environment: Certifying new products will lead to more energy efficient and environmentally friendly aviation products. It is in our business interest to fly more efficiently as fuel savings have a direct impact on the bottom line of GA operators. The GA community is committed to working with the Administration to consider policies that reduce emissions without restraining industry growth, to support relevant research and development programs, and to work through the International Civil Aviation Organization to develop international standards on aviation emissions. It is also important that any revenues raised from the aviation industry to reduce or mitigate greenhouse gas emissions be used solely for investments in the aviation infrastructure or for industry incentives to equip with environment-enhancing technologies.

A critical part of making progress on the environment and other critical aviation issues is restoring funding for aeronautics research at NASA. Since 1994, funding for aeronautics research has been cut by nearly two-thirds. We call for a minimum 10 percent annual increase in aeronautics research funding over current levels to rebuild NASA's aeronautics division.

The general aviation industry is committed to transitioning the piston powered aircraft fleet to an unleaded aviation gas. This important initiative will require a partnership between government and industry if this transition is to be done in a safe and timely fashion. In particular, industry needs a sustained and robust commitment from FAA if we are to meet this challenge which offers health and environmental benefits.

International Challenges: Increasingly, FAA preeminence in aviation safety regulation is being challenged. FAA has focused its international efforts on emerging markets like China and India but has not adjusted as effectively to the consolidation of aviation regulatory power in Europe. It is essential that the new Administration takes this challenge head-on to ensure the U.S. develops a successful working relationship with the EU that focuses on promoting aviation safety and air traffic modernization. This is especially critical given Europe's increasing involvement in



working with other aviation authorities throughout the world and their initiatives in air traffic, safety and the environment.

In terms of FAA leadership, a provision added by Congress regarding foreign repair stations in the FAA reauthorization bill would hamper FAA's ability to influence and strengthen aviation safety globally. This provision does this by undermining existing safety agreements between the U.S. and other leading foreign safety authorities that have led to cooperative safety efforts and economic efficiencies. In addition, the ending of these agreements would require the new hiring of FAA personnel, at significant cost, when resources for existing FAA programs are scarce and insufficient like in the certification area.

Security: GAMA advocates for a risk-based approach to transportation security. In the past seven years, this work has led to security enhancements for flight schools, foreign aircraft operations, pilot vetting, and airport security watch. Unfortunately, a proposed security rule on large general aviation aircraft has just been made by the Department of Homeland Security that is neither risk-based nor cost effective. It is important that the new Administration focus its efforts and resources on security initiatives which bring security benefits commensurate to the economic and other burdens imposed.