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National Air Transportation Association

The National Air Transportation Association 2009 Policy Priorities

The National Air Transportation Association (NATA), the voice of aviation business, is the public policy group representing the interests of aviation businesses before Congress, federal agencies and state governments. NATA's 2,000 member companies own, operate and service aircraft. These companies provide for the needs of the traveling public by offering services and products to aircraft operators and others such as fuel sales, aircraft maintenance, parts sales, storage, rental, airline servicing, flight training, Part 135 on-demand air charter, fractional aircraft program management and scheduled commuter operations in smaller aircraft. NATA members are a vital link in the aviation industry providing services to the general public, airlines, general aviation and the military.

The following is a brief description of NATA's policy priorities for President-elect Obama's Administration in 2009.

FAA Standardization of Regulatory Interpretations:

One of the biggest burdens confronting the general aviation industry is the varying interpretation of FAA regulations by the agency's Regional, Aircraft Certification (ACOs) and Flight Standards District Offices (FSDOs). Currently, there are 9 FAA regions, 10 ACOs and more than 80 FSDOs that each issue approvals on a wide range of maintenance and operational requests made by regulated entities such as Part 135 on-demand charter operators, Part 145 repair stations, and Part 141 and 61 flight training facilities. These regulated entities are constantly challenged by regulatory interpretations that vary from one inspector within one FSDO or ACO to another, and are estimated to cost general aviation businesses hundreds of millions of dollars annually when previously approved actions are subject to "re-interpretation." Inconsistent and varying interpretations of compliance also demonstrate a shortcoming in the FAA's ability to coordinate its workforce and ensure that the decision-making abilities vested in inspectors are respected across all divisions of the agency, impairing efforts to achieve a uniform safety standard nationwide. NATA recently surveyed its members and found that eighty-nine percent felt that their businesses have sufferance due to inconsistent interpretations of federal regulations with the FAA.

Emergency Suspensions of Part 135 Certificates

Over the past two years, the FAA has issued numerous emergency suspensions or revocation orders to Part 135 carriers. Inconsistent regulations within the agency have resulted in the loss of certificates for the operators. Further, Part 135 carriers have received the ultimate penalty for operational infractions, while their Part 121 counterparts are merely fined and permitted to operate although they were found to have knowingly operated in violation of safety requirements.

For example, in May the FAA issued an emergency order of revocation to Air Trek, a NATA member and Part 135 air charter operator. The appeal of FAA actions were heard by an National Transportation Safety Board (NTSB) law judge who determined there were only two regulatory violations out of 14 that were issued both of which related to operations at a base which Air Trek closed more than a year before the violations were issued. The judge also stated that the violations were not significant enough to warrant revocation of Air Trek's certificate. Air Trek has not only lost millions of dollars in revenue, but has incurred thousands of dollars in legal fees.

**Finalizing FAA Reauthorization Legislation:**

NATA is hopeful that the Department of Transportation will work with Congress to ensure that Federal Aviation Administration (FAA) reauthorization legislation is a top priority when Congress reconvenes in January. The strength of our national airspace system and its ability to meet future demands is dependent upon the federal government's success in meeting its obligations to provide adequate infrastructure. A critical step in meeting those obligations is for Congress to pass a comprehensive, long-term reauthorization bill that will help provide the resources necessary to enable our country to meet the current and growing demands being placed on the aviation system.

NATA supports the following provisions in U.S. House of Representatives bill, H.R. 2881:

(click on each issue below to view the white paper)

- **No User Fees:** Commercial airline travel is the reason why the cost of air traffic control services continues to increase, and general and business aviation are incremental users of the system. Increasing the cost of non-scheduled operators will result in operators flying less frequently.
- **Repeal of the Fuel Fraud Provision:** The 2005 Highway Bill contained a provision altering the collection of fuel taxes for business and general aviation fuel providers, which has had a significant financial impact on the aviation industry and constitutes a *de facto* tax increase. When aviation fuel is purchased at 24.4 CPG, it is deposited into the Highway Trust Fund. Only when a fuel provider applies to the IRS for the 2.5 cents refund does the remaining 21.9 cents transfer from the Highway Trust Fund into the Airport and Airway Trust Fund. In many cases, an operator or fuel provider does not apply for a refund; therefore the aviation trust fund receives no revenue from the sale of the aviation jet fuel. This policy has increased Highway Trust Fund revenues by hundreds of millions of dollars at the expense of the Airport and Airway Trust Fund.
- **Airports Providing Aviation Services:** Report language was included directing the Secretary of Transportation to review grants made under the Small Community Air Service Development (SCASD) Program to ensure that funds weren't being used by an airport operator to compete with existing private businesses by providing aviation services at the airport. NATA recommends that Congress closely monitor government-run entities that attempt to compete with private industry at our nation's airports. Aviation businesses such as Fixed Base Operators (FBO) are better equipped to provide aviation services at an airport, and the government must recognize that airport management should focus on fostering a competitive environment that will benefit air travel passengers.
- **Accelerating Implementation of Next Generation Air Transportation System (NextGen):** Funding provided for NextGen in the FAA reauthorization bill will enable the agency make critical upgrades to existing facilities and equipment and implement new technologies that will better define routes within the national airspace system allowing more aircraft to travel within the airspace. Additionally, this technology will minimize the impact on the environment due to aircraft flying more direct routes which will improve fuel efficiency and reduce carbon dioxide emissions.