



The National Air Transportation Association (NATA), the voice of aviation business, is the public policy group representing the interests of aviation businesses before the 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 the second session of the 111th Congress.

General Aviation's Vital Role to the U.S. Economy

Background

In October 2008, the Congress held a series of hearings to determine whether the Big Three auto manufacturers, Ford, General Motors, and Chrysler, warranted federal assistance due to their companies' financial struggles. During one hearing, Members of Congress blasted the three testifying CEOs for using private aircraft to travel to the hearing to ask the Congress for billions of dollars in federal assistance. As a result, provisions were included in both the U.S. House of Representatives and the U.S. Senate bills that would have required companies receiving federal funding to divest themselves of corporate aircraft. While the legislation wasn't passed in either chamber, the Bush administration released Troubled Asset Relief Act (TARP) funds from the U.S. Treasury to General Motors and Chrysler. The terms of the loan included provisions prohibiting the purchase or lease of private aircraft.

Issue

Public perception is that general aviation or business aircraft are luxury assets, contrary to the truth which is that general aviation plays a vital role in the state of the American economy. General aviation employs more than 1.3 million people and contributes \$150 billion to the economy. 223,000 general aviation aircraft fly into more than 19,000 airports throughout the country, compared to the less than 500 commercial airports.

[To view general aviation contributions to our nation by state, please click here.](#)

Congressional General Aviation Caucus

In 2009, the U.S. House of Representatives and the U.S. Senate established general aviation caucuses in their respective chambers to help educate Members of Congress and their staff about the vital role of general aviation. The primary goal of the House and Senate caucuses is to work with pilots, aircraft owners, the general aviation community and relevant government agencies to ensure a safe and vibrant environment exists for general aviation in our country. Each caucus holds regular briefings for Members of Congress and their staff on specific issues affecting the industry. Both the House and Senate caucuses are open to all Members of the House and Senate despite party affiliation and committee assignments.

Currently, there are more than 120 members of the U.S. House of Representatives who have joined the House General Aviation Caucus. There are 27 members of the Senate General Aviation Caucus. **If your Members of Congress have not joined their respective caucus, please ask them to do so today!**

[To view a complete list of House and Senate GA Caucus members, please click here.](#)

[To view the House Dear Colleague letter, please click here.](#)

[To view the Senate Dear Colleague letter, please click here.](#)

FAA Reauthorization Legislation

Background

The United States Congress recently passed the fifteenth short-term extension of legislation to reauthorize the Federal Aviation Administration (FAA) through September 30, 2010. Last year, the U.S. House of Representatives passed H.R. 915, the Federal Aviation Administration Reauthorization Act of 2009. On March 22, 2010, the U.S. Senate passed H.R. 1586, the FAA Air Transportation Modernization and Safety Improvement Act. The legislation awaits negotiations between the House and Senate. A few differences remain between each chamber that are being worked out, including pro-labor language supported by Chairman James Oberstar (D-MN) that would make it easier for ground workers at Fed Ex to unionize.

Issue

NATA is hopeful that the Congress will pass a long-term bill to reauthorize the FAA and the association will continue to work on the following provisions:

- **Foreign Repair Station Language.** NATA is concerned with the requirement to increase inspections on foreign repair stations. The potential job loss to U.S. repair stations is high if the European Union retaliates against the trade agreement with the U.S.
- **No User Fees.** Commercial airline travel is the reason why the cost of air traffic control services continues to increase. General and business aviation are incremental users of the system. Increasing the costs for non-scheduled operators will result in operators flying less frequently. NATA supports a reasonable increase in the fuel tax to help alleviate the burden on the Airport and Airways Trust Fund.
- **Repeal of the Fuel Fraud Provision.** The 2005 Highway Bill contained a provision altering the collection method 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. While the tax on aviation jet fuel remained at 21.9 cents per gallon (CPG), the Highway Bill mandated that all taxes on aviation jet fuel be collected at the same rate as the tax for highway diesel fuel, 24.4 CPG. When aviation fuel is purchased, the 24.4 CPG tax 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, operators or fuel providers do 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.

- *Termination of Exemption for Small Aircraft on Nonestablished Lines.* The Senate bill contains a provision (Section 806) that will place a significant financial burden on small businesses providing aircraft charter services. Currently, commercial air operations in aircraft weighing fewer than 6,000 pounds, that are not operated on an established line, are exempt from the commercial federal excise tax (FET). Instead, these operators pay the noncommercial aviation fuel taxes. The provision would eliminate that exemption and replace it with a far narrower exemption solely for those conducting sightseeing flights in small aircraft.
- *Airports Providing Aviation Services.* NATA recommends that the 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 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 help ensure that critical upgrades are made to existing facilities and equipment and enable implementation of new technologies that will better define routes within the national airspace system, allowing more aircraft to travel within the airspace. This technology will minimize the impact on the environment due to aircraft flying more direct routes, improving fuel efficiency and reducing carbon dioxide emissions.

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 in providing adequate infrastructure. A critical step in meeting those obligations is for the 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.

Security Directive Issued for Airports

Background

In December 2008, the Transportation Security Administration (TSA) issued a security directive (SD) to the directors of airports serving commercial air carriers. This SD mandated changes to the issuance of airport identification media and expanded the base of individuals who would be required to obtain airport identifications.

Issue

The SD mandates that any individual requiring unescorted access to the airport operations area (AOA) of an airport serving commercial air carriers must apply for and receive airport-issued identification media. This requirement may expand the airport identification process to include individuals not already required to be badged, which include FBO employees, private aircraft owners, general aviation maintenance providers, flight instructors, flight school students and other airport tenants needing unescorted access to the AOA.

Due to the large number, and varied interests, of the general aviation pilots, service providers and aircraft owners who will be affected by this SD, it is imperative that the TSA approach the issue of securing the AOA of commercial airports by issuing a Notice of Proposed Rulemaking (NPRM). By following the federal rulemaking process, the TSA will allow those affected by the proposed rule the ability to voice their concerns and suggestions on the best methods for securing the AOA.

While the SD became final in May 2009, NATA has worked with the Congress to find ways to combat future SDs that are issued without imminent threat. H.R. 2200, the Transportation Security Administration Reauthorization Act passed the U.S. House of Representatives on June 4, 2008. The bill includes a provision that would amend the TSA's authority to issue security directives by requiring the imminent threat to be of finite duration. In addition, the amendment required additional factors to be determined such as whether a security directive remained in effect and didn't require revision within 90 days and whether the cost of the regulation was excessive. **NATA will work to gain support and passage of H.R. 2200.**

[To view NATA's White Paper on Security Directives, please click here.](#)