

September 2, 2015

Ms. Mary Ziegler
Director
Division of Regulations, Legislation and Interpretation
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W. Room S-3502
Washington, D.C. 20210

RE: Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees; RIN: 1235-AA11

Dear Ms. Ziegler:

The National Air Transportation Association (NATA) is the public policy group representing the interests of aviation businesses before Congress, federal agencies, and state and local governments. NATA's nearly 2,300 member companies are a vital prerequisite for a vibrant general aviation sector providing fuel, aircraft maintenance, parts sales, storage, rental, airline servicing, flight training, Part 135 on-demand air charter, and fractional aircraft program management. Smaller companies account for the majority of NATA's membership and most NATA members have fewer than 40 employees and are designated as small businesses by the U.S. Small Business Administration.

As a result, NATA members are directly impacted by the Department of Labor's proposal to update the regulations governing which executive, administrative, and professional employees (white collar workers) are entitled to the Fair Labor Standards Act's (FLSA) minimum wage and overtime pay protections. NATA understands the Administration's desire to review regulations that have not been updated since 2004. However, the proposal in its current form will negatively impact the aviation business sector. Similarly, the association sees no need to modify the current duties test and believes that any such discussion should be subject to a further NPRM.

The general aviation industry, of which NATA members play a significant part, is a major contributor to the U.S. economy. Earlier this year, NATA and seven other major general aviation associations unveiled an industry-wide study conducted by PricewaterhouseCoopers that details the economic contributions of general aviation to the U.S. economy. The study concluded that general aviation supports 1.1 million jobs and \$219 billion in total economic output in the United States¹.

¹ "Contribution Of General Aviation To The U.S. Economy - 2013," page E-1. PricewaterhouseCoopers

While an economic recovery is underway, recent events on the global equities markets underscore its fragile nature. The PricewaterhouseCoopers report confirmed that measures of general aviation activity are on the rise; however, they are still nowhere near pre-recession levels. For example, the General Aviation Manufacturers Association (GAMA) estimates that 2015 general aviation fuel consumption will still be 12 percent below pre-recession levels². GAMA also reports that while the numbers of U.S. manufactured general aviation aircraft are increasing, it is still half that of pre-recession levels³.

Given the current economic environment, the nation would greatly benefit from the Administration and Congress moving forward together on the adoption of long-term, permanent, pro-growth tax policies in lieu of this proposed mandate to increase employer costs. A recent survey of CFOs and other senior financial executives conducted by Grant Thornton supports this point noting that more than half of companies that take advantage of business tax extenders, including bonus depreciation, are doing all their planning with the assumption that such extensions will not occur -- thereby dramatically limiting the impact of these pro-growth tax provisions. In addition, 45 percent of CFOs say that increasing costs of compliance present the biggest challenge to growth.⁴

The feedback NATA received from its members is similar to that of other organizations representing small businesses. The proposal will inhibit the promotion of employees to management positions and return some current managers to hourly status. The end result will be reduced take home pay and loss of benefits. Aviation businesses are by their nature spread throughout the nation and often found in parts of the country where the cost of living is low. These businesses will be especially hard hit by this "one-size-fits-all" proposal.

NATA appreciates the Department's consideration of its views and urges it to shift its focus away from mandating increased employer costs and toward the enactment of pro-growth tax and economic policies.

Sincerely,



William R. Deere
Senior Vice President
Government & External Affairs

² "2014 General Aviation Statistical Databook & 2015 Industry Outlook," page 31.

³ "2014 General Aviation Statistical Databook & 2015 Industry Outlook," page 20.

⁴ Grant Thornton CFO Survey, Summer 2015