

February 10, 2016

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
2167 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Shuster:

Thank you for holding today's hearing on ATC reform. It was important that issues surrounding the proposed creation of a user fee-funded, federally chartered, not-for-profit air traffic control corporation be aired in advance of tomorrow's mark-up. While we disagree with your policy prescription for reforming the FAA management structure, it does not take away from the fact that the process undertaken by the Committee will surely result in numerous safety benefits to aviation.

The discussion today naturally turned to the contribution of general aviation, and more specifically, commercial general aviation to air traffic control. Using a "G5 or G6" as an example, it was discussed that those parts of general aviation that wish to fly for profit will pay user fees and such payments are "fair." While such aircraft comprise a segment of the Part 135 fleet, they serve as a stereotype that does not fairly represent the fleet as a whole.

According to the FAA's 2014 General Aviation and Part 135 Activity Study, turbojet aircraft such as those exemplified during the hearing represent approximately 30 percent of the fleet. The balance is comprised of fixed-wing piston (25%), fixed-wing turboprop (19%), rotor piston & turbine (26%). As you can see, the Part 135 community is a working one, and the revenue created is the difference between the success and failure of many small businesses. Typical for many small businesses, the overwhelming majority of Part 135 operators have 25 or fewer employees and less than \$5 million annual revenue. A Part 135 operation may have only a single King Air, holding five passengers, and under this legislation be required to pay user fees. Ironically, while the King Air pays user fees, corporate jets will pay gas taxes.

The AIRR Act treats the Part 135 community unevenly. The legislation exempts almost 25 percent of commercial GA operations from user fees (fixed-wing piston) but sweeps in other commercial GA operations (for example air ambulance, air tours, certain types of flight instruction) that have heretofore been wholly exempt or contributed via gas taxes. Worse, this community is denied representation in the Corporation's proposed governance structure. As a small business owner yourself, I am sure you understand why these small businesses are opposed to being assessed inconsistent, undefined costs by an unrepresentative board. The fact that recourse against Corporation mistreatment is largely limited to mounting a court challenge against a well-funded large corporation further erodes their ability to ensure fair treatment.

Again, Mr. Chairman, NATA deeply appreciates the time and deliberation devoted to the development of the AIRR Act. As a result of the Committee's efforts to solicit stakeholder input, the legislation contains numerous provisions that will allow the Federal Aviation Administration to pursue its critical safety mission more effectively and efficiently. As we demonstrated above, this legislation is very complex and its ramifications are not yet fully understood. For that reason, we hope the Committee will forego markup to provide time for additional analysis.

Respectfully,

A handwritten signature in black ink, appearing to read "Thomas L. Hendricks". The signature is fluid and cursive, with the first name being the most prominent.

Thomas L. Hendricks
President and CEO
National Air Transportation Association