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Senate Commerce Committee FAA Reauthorization Proposal "Federal Aviation Administration Reauthorization Act of 2016"

Summary

On March 9th, the Senate Commerce Committee released a bipartisan FAA reauthorization bill, S.2658, the "[Federal Aviation Administration Reauthorization Act of 2016](#)." The legislation is consistent with NATA's recommendation that Congress build upon its work in the last reauthorization bill to improve the consistency of FAA decisions across its offices and regions, continue to streamline the FAA certification process to better reflect today's pace of innovation, and assist the agency in operating as efficiently as possible.

Bill Highlights

Duration of Authorization

The draft legislation authorizes the FAA through FY2017. Note that congressional rules require an agency like the FAA and programs like NextGen to be authorized in order to be eligible to receive an appropriation. As you will see throughout the legislation, authorizations are also the means by which Congress establishes policy and provides direction.

The FAA's last reauthorization bill, the "FAA Modernization and Reform Act of 2012" (PL 112-95), authorized spending for the FAA's major accounts and programs for fiscal years 2012-2015 and expired on September 30, 2015. The agency is acting on a temporary extension that expires on March 31st.

Current Aviation Taxes

The authority to levy taxes is the sole jurisdiction of the House Committee on Ways and Means and Senate Finance Committee. We expect the Senate Finance Committee, during floor consideration, to add provisions extending current aviation taxes.

Changes to FAA's Management Structure and Funding

The legislation does not include the ask of some major airlines to separate air traffic control from the agency's safety function and operate it through a user fee-funded corporation. The legislation includes provisions addressing concerns expressed about the development and deployment of NextGen.

Airport Funding

The legislation denies the AAAE/ACI-NA request for a Passenger Facility Charge (PFC) increase from \$4.50 to \$8.50. The bill authorizes AIP funding for FY 2016 at the current level of \$3.35b and increases it to \$3.75b for FY2017. However, the legislation does include positive changes to the contract tower program, expansion of the state block grant program and additional streamlining of the PFC program.

Changes to FAA's Current Regulatory Practices

Last year, after consultation with our policy committees, NATA staff presented the House Transportation and Senate Commerce Committees with a number of ideas to improve FAA operations in a manner that benefits the aviation business community. The Senate bill reflects the association's outreach to Chairman Thune and Ranking Member Nelson and acts on NATA recommendations including:

Improve the agency's regulatory consistency

The Senate legislation addresses NATA's request that the FAA continue to improve the consistency of its regulatory activities at the regional and district levels. It establishes a Task Force on Flight Standards Reform to identify best practices and provide recommendations for simplifying and streamlining flight standards processes, training for aviation safety inspectors, and achieving consistency in FAA regulatory interpretations and oversight. The bill also mandates implementation of Section 313 ARC recommendations creating a Regulatory Consistency Communications Board (RCCB) and establishing a centralized database of all safety and regulatory related material.

Realign the Flight Standards Service

The legislation acts on NATA's request concerning the organizational structure of the Flight Standards Service by requiring the FAA, in consultation with industry stakeholders to determine the feasibility of realigning flight standards field offices into specialized areas of aviation safety oversight and technical expertise.

Safety Inspectors

NATA has requested Congress look into the sufficiency of flight inspectors and expand the use of the certificate management office construct to repair stations. In response, the Senate bill requires the DOT IG to review the FAA's current staffing model to determine the adequacy of its levels of staffing and structure, particularly whether that model fully considers FAA's authority to use designees.

Part 135 Safety Data

The legislation acts on NATA's request to improve the quality of Part 135 incident reporting data by requiring the FAA, NTSB, and Part 135 industry stakeholders to determine what, if any, additional data should be collected as part of an accident or incident investigation.

Other NATA Requests Already Acted Upon

Two other NATA “asks” of Congress were implemented in 2015 including:

- An NATA-supported provision directing the Government Accountability Office (GAO) to conduct a study of diversions of non-commercial jet fuel tax revenues to the Highway Trust Fund. GAO’s study is well underway and their investigation team met with NATA and other industry stakeholders.
- In addition, Congress acted on our request for two important changes to business investment incentives including a five-year extension of bonus depreciation, from 2015 through 2019 and a permanent increase in Section 179 expensing limitation and phase out amounts to \$500,000 and \$2 million respectively.

The legislation also includes other general aviation stakeholder “asks” supported by NATA including:

- Streamlining the certification process
- Third class medical reform
- Inclusion of Pilots Bill of Rights 2
- Explicit authority to use unleaded avgas

Analysis

Overall, the legislation reflects NATA’s desire that Congress not bog down the reauthorization process in yet another debate over privatization of the air traffic control system and replacement of the current aviation fuel and ticket tax regime with user fees. Instead it follows NATA’s recommendation for incremental change that builds on the work begun in the last reauthorization to assist the agency toward a more efficient operating structure.

Next Steps

The Committee is expected to consider the legislation on March 16th.