

Testimony of Peter J. Bunce
President & CEO, General Aviation Manufacturers Association
“Maintaining a Safe & Viable Aviation System: Priorities from Aviation Stakeholders”
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Chairman Olver, Congressman Latham, distinguished members of the Subcommittee; my name is Pete Bunce and I am the President and CEO of the General Aviation Manufacturers Association (GAMA). GAMA's sixty-seven member companies are the world's leading manufacturers of general aviation airplanes, engines, avionics, and components. Our member companies also operate aircraft fleets, airport fixed-based operations, pilot training centers and maintenance facilities worldwide. On behalf of our members, I appreciate your leadership in convening this important hearing and providing GAMA the opportunity to testify about the challenges facing the Federal Aviation Administration (FAA) and the President's FY 2011 Budget proposal.

As the committee knows, general aviation (GA) is an essential part of our transportation system that is especially critical for individuals and businesses that need to travel and move goods quickly and efficiently. General aviation is also an important contributor to the U.S. economy, supporting over 1.2 million jobs, providing \$150 billion¹ in economic activity and, in 2009, generating more than \$4.6 billion² in exports of domestically manufactured airplanes. 2009 was the first year when more than half of the revenue from general aviation manufacturing was a result of exports. General aviation is one of the few remaining manufacturing industries that still provide a significant trade surplus for the United States.

Our industry, like many others, is struggling. As a result of the recession, greatly diminished credit availability, and other factors, our member companies have lost nearly 20,000 jobs over the past eighteen months. These are difficult times in our industry but we are committed to remaining competitive and building a better future for our companies and their employees. Our members have always believed in driving innovation regardless of the state of the economy and we will continue to develop new products to take full advantage of the economic recovery when it comes.

Budget Overview

The President's budget request includes approximately \$16.5 billion for the FAA for FY 2011, a three percent increase over the FY 2010 budget. We support this increase and appreciate the willingness of the Administration to allocate additional funding to the FAA given the many competing priorities. Within the President's request, we are particularly pleased with the priority placed on NextGen programs, the level of funding for certification personnel, and the dedicated funding for the FAA to help test and certify an unleaded aviation gasoline.

¹ General Aviation Contribution to the US Economy, Merge Global 2006.

² 2009 General Aviation Statistical Databook and Industry Outlook, GAMA 2010.

As the subcommittee knows, adequate funding is only one part of the equation when it comes to successfully implementing programs. We believe that Administrator Babbitt has taken on this challenge with great energy and focus. We will need his concentrated effort and attention if we are to successfully change our aviation system to meet the capacity, safety and environmental challenges facing the aviation industry.

Air Traffic Modernization

In our view, the top issue facing the FAA is its ability to move forward on air traffic control modernization, or NextGen. The Administration's FY 2011 budget request provides \$1.14 billion in support of NextGen programs, a thirty percent increase over the FY 2010 enacted level. We are very pleased to see that the Administration proposes to increase funding for NextGen and believe that it demonstrates the FAA's commitment to modernization. However, as I will describe in more detail below, the President's budget fails to address the airborne infrastructure of NextGen modernization, limiting FAA's efforts to accelerate NextGen.

NextGen will transform the air traffic management system. From bonfires to beacons to radars, the story of air traffic has been one of progress, bringing operational efficiencies and environmental benefits that allow the U.S. to operate the premier air traffic management system in the world. If we do not accelerate this transition to a satellite-based system, FAA will lose its leadership mantle. Europe is already moving forward so that aircraft will be equipped with ADS-B technology by 2015.

As appropriators, you have a key role to play in supporting this transformation. Part of this is recognizing that the aviation infrastructure in the future will be built in the sky rather than on the ground. Rather than simply placing radars on the ground, individual aircraft will be equipped with navigation and surveillance capabilities. In the past, federal funding has been provided for ground surveillance and navigation infrastructure. Given the huge environmental, efficiency, and safety benefits, it will be self-defeating if federal funding for NextGen is limited simply because the surveillance and navigation infrastructure is now placed on the aircraft and not the ground.

The aviation industry stands ready to work with you in a public-private partnership to accelerate NextGen through aircraft equipage so that we can all begin to accrue the benefits of NextGen by 2015. It needs to be a partnership because many of the benefits of equipping with this new technology accrue to the federal government or to the air traffic system as a whole. For an individual operator, the benefits of equipage are sometimes not realized from an individual cost-benefit perspective.

The need for partnership becomes even more compelling given the deep financial predicament this industry currently faces. Most operators cannot afford to make the investments needed to purchase these technologies. As a result, in the absence of incentives to equip early, most operators will simply wait to place this technology on their aircraft. As an industry that has lost nearly 20,000 manufacturing jobs throughout the last year and a half, we want to put people back to work. This federal investment not only moves NextGen forward, but it will

provide more Americans with the opportunity for good jobs in our nation's avionics companies and maintenance facilities.

Incentivizing equipage could take many forms. For instance, one avenue may be the President's proposed National Infrastructure and Innovation Finance Fund which would provide financing or grants for transportation projects including those that are aviation related. We hope that in authorizing and funding this program, Congress designates NextGen equipage as clearly eligible for support from this fund and moreover, deems it a priority.

I am confident that funding of this equipage can be successful given past examples like the Capstone project in Alaska. The FAA equipped aircraft with ADS-B technology and the results have been very positive. Aircraft are able to fly under air traffic control surveillance more efficiently because they can fly more direct routes and the FAA knows more precisely where the aircraft are located. The result has been improved safety and decreased accident rates.

As the RTCA Task Force report highlights, the FAA must also do a better job in delivering the benefits when industry does equip. Currently, there is a tremendous opportunity to show the benefits of NextGen equipage through the performance-based navigation procedures that are required for actual operational use. The success of this effort will in part rest on the FAA and their ability to design a better environmental review process. Too often, the FAA process favors the status quo rather than delivering procedures offering noise and emissions improvements. Ironically, then, it is the environmental approval that is preventing aviation users from more fully mitigating the environmental impact of aviation.

Certification Personnel

We are very pleased that the President's budget proposes \$14 million for an additional 82 safety inspectors which includes 41 product certification personnel. GAMA has long been a champion of increased funding for the FAA's Aircraft Certification Office (AIR) because of its role in certifying new products.

In recent years, we have been concerned about the level of staffing for the AIR because in some instances it has been unable to certify new general aviation products in a timely manner. In fact, in 2005, the FAA implemented a "Sequencing Process" for certification applications that has resulted in some projects getting delayed from ninety days up to nine months. Delayed applications can have a significant impact on a business which has invested in the research and development of bringing a new product to market. Certification must occur in order to start recouping that investment.

In our view, a sustained investment in the AIR is critical for two other reasons. First, as we move closer to implementing NextGen, the FAA will have to certify new technologies that are essential to modernization. Any delay in certifying NextGen technology could cause a delay in realizing the safety and efficiency benefits of NextGen.

Second, U.S. industry is competing in a global market and delays in certifying new products could put domestic manufacturers at a competitive disadvantage. In some cases, aviation authorities in both Canada and European are moving more quickly than the FAA in certifying new aviation products.

Fortunately, over the past few years, we have been able to work with this subcommittee to provide increased funding which has been critically important. We have also worked with FAA to speed up some of the delayed projects involving our members and continue to work with the agency on identifying certification priorities. If Congress approves the FAA's request of 41 additional certification personnel, it will help cut down on certification delays, grow our industry, and create new jobs.

Transition to an Unleaded Avgas

The Administration's budget request includes \$2 million for FY 2011 within the FAA's Research and Development account to test and certify an unleaded aviation gasoline (avgas) at the FAA's Technology Center in Atlantic City, New Jersey. This is a critically important request that we strongly support and we urge the subcommittee to approve it.

GAMA is actively involved in developing a plan to transition to a new, unleaded avgas for piston-engine aircraft. Unfortunately, no simple alternative exists for 100 octane leaded aviation gasoline (100LL). For a variety of reasons, simply removing the lead from the current avgas is not a safe and viable solution. In addition, the transition to unleaded avgas will also require FAA approval for engine design modifications. Unlike the auto industry, which can implement engine design changes very quickly, the aviation industry must complete lengthy and costly certification processes.

The President's budget request will allow the FAA to partner with both the general aviation industry and fuel producers to research, test and ultimately approve an unleaded avgas. The end goal is to fully transition piston powered aircraft to an operationally safe and environmentally sustainable fuel over the next 5 to 10 years.

We hope the subcommittee approves the President's request for avgas research and development and we look forward to working with you on this important issue in the coming years.

Conclusion

GAMA supports the President's budget request for the FAA and believes the administration is generally focused on the right priorities. In order to move forward on NextGen, the Administration will need to look at ways to incentivize operators to equip early and work with Congress to develop a plan to accomplish this. Unless aircraft equipage is made a priority, critical elements of NextGen will not be completed until at least 2020 and our efforts to modernize the air traffic control system will falter allowing America's leadership to be eclipsed by Europe and potentially China as well.

In closing, Mr. Chairman, Congressman Latham, thank you for your leadership on aviation issues and for inviting me to testify before the subcommittee. I would be glad to answer any questions that you may have.