



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.

President's Fiscal Year 2011 Budget

Issue

The Obama administration will release the President's federal budget request for fiscal year 2011 on February 1, 2010. The budget request could include a new "funding mechanism" to supplement the Airport and Airways Trust Fund. In the past few years, the U.S. House of Representatives has opposed any user fee for aviation to supplement the aviation trust fund. **NATA opposes any user fee on general aviation and supports a reasonable increase in the fuel tax to help ease the burden on the Airport and Airways Trust Fund. NATA will work with Congress if such a funding mechanism appears in the President's budget request.**

FAA Reauthorization Legislation

Background

In December 2009, Congress passed the eighth short-term extension of FAA reauthorization legislation, which expires on March 31, 2010. Last year, the U.S. House of Representatives passed H.R. 915. The U.S. Senate introduced H.R. 1451 but, unfortunately, the legislation did not make it to the floor of the Senate.

Issue

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

- **Foreign Repair Station Language.** NATA is concerned with the requirement in H.R. 915 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., and NATA is hopeful the Senate will not include such language.

- 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.
- 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.

FAA Standardization of Regulatory Interpretations

Background

One of the biggest burdens confronting the general aviation industry is the varying interpretation of the FAA regulations by the agency's Regional, Aircraft Certification (ACOs) and Flight Standards District Offices (FSDOs). Currently, there are 9 FAA regions, 10 ACOs and more than 80 FSDOs that each issue approvals on a wide range of maintenance and operational requests made by regulated entities such as Part 135 on-demand charter operators, Part 145 repair stations, and Part 141 and 61 flight training facilities. These regulated entities are constantly challenged by regulatory interpretations that vary from one inspector

within one FSDO or ACO to another and are estimated to cost general aviation businesses hundreds of millions of dollars annually when previously approved actions are subject to “re-interpretation.” Inconsistent and varying interpretations of compliance also demonstrate a shortcoming in the FAA’s ability to coordinate its workforce and ensure that the decision-making abilities vested in inspectors are respected across all divisions of the agency, impairing efforts to achieve a uniform safety standard nationwide. NATA recently surveyed its members and found that eighty-nine percent of the respondents believed that their businesses have suffered due to inconsistent interpretations within the FAA of federal regulations.

Issue

The U.S. Government Accountability Office has been commissioned by Congress to report on how inconsistent regulatory interpretations are costing the FAA and the aviation industry hundreds of millions of dollars in resources, while raising serious concerns about unified safety standards. **NATA is hopeful that the results of the report, which are due later this year, will prove the significance of the issue and highlight a need for change within the FAA.**

Large Aircraft Security Program (LASP)

Background

In October 2008, the Transportation Security Administration (TSA) published a proposed rule that would govern operations of all aircraft weighing more than 12,500 pounds and require operators to implement an approved security program. The proposed rule, titled the Large Aircraft Security Program (LASP), seeks to combine a number of security programs currently in place for general aviation, including the Twelve-Five Standard Security Program, and would impose security programs on thousands of privately operated general aviation aircraft.

Issue

The association has serious concerns with the LASP proposed rule, including the following provisions:

- FBI background check of pilots is unnecessary for owner-piloted aircraft.
- A biannual compliance audit is mandatory, at the aircraft owner’s expense.
- The implementation schedule is not realistic considering the number of aircraft operators who would be required to participate.
- The program doesn’t specify how managed aircraft will be treated, as many aircraft are managed by outside firms.
- Passenger lists are required to be submitted for comparison to the terrorist watch list.

The TSA has been working to revise the LASP and plans to issue a modified version of the rule. **NATA will work with Congress and the TSA if the amended rule is released with unfavorable provisions.**

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 includes 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 Congress to find ways to combat future SDs that are issued without imminent threat. Two bills that weren't addressed last year that have a chance of passing this year are:

- H.R. 2200, the Transportation Security Administration Reauthorization Act. 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.
- H.R. 3678 was introduced in response to SD-8G to modify the authority of the assistant secretary of homeland security within the TSA to issue regulations and security directives using emergency procedures.

NATA will work to gain support and passage of H.R. 2200 and H.R. 3678.

Employee Free Choice Act

Issue

Democrats in both the U.S. House of Representatives and the U.S. Senate introduced controversial labor legislation, the Employee Free Choice Act, last year. H.R. 1409/S. 560, also referred to as "card check," would change how unions organize workers in the United States by eliminating a company's right to demand a secret ballot if a majority of employees sign authorization cards to form a union. It would also require binding arbitration to reach a first contract, if labor and management can't reach an agreement within 120 days, and increases penalties for businesses that violate labor laws. Instead of an election run by the National Labor Relations Board, workers would be able to fill out cards saying whether they support or oppose a union. **NATA is urging Members of Congress to oppose the H.R. 1409/S. 560.**

General Aviation Jobs Act

Issue

On October 15, 2009, U.S. Representative Todd Tiahrt (R-KS) introduced H.R. 3844, the General Aviation Jobs Act of 2009. H.R. 3844 would amend the Internal Revenue Code of 1986 to provide a special depreciation allowance and recovery period for noncommercial aircraft property. Companion legislation, S. 2723 the General Aviation Depreciation Bill, has now been introduced in the U.S. Senate by Senators Pat Roberts (R-KS) and Sam Brownback (R-KS) with identical bill language to H.R. 3844. H.R. 3844 and S. 2723 seek to boost general aviation aircraft sales by extending the current bonus depreciation allowance for another two years and shorten the recovery period for non-commercial aircraft property from five to three years. **NATA will work to gather congressional support for this legislation to enable the bill to reach the floor for a vote.**

Environmental Policy

Background

Legislation to address climate change is a priority for the Obama administration and the Congress. Last year, the U.S. House of Representatives passed H.R. 2454, the American Clean Energy and Security Act. H.R. 2454 mandates an economy-wide carbon dioxide emissions cap 17% below 2005 levels by 2020, 42% below by 2030, and 82% lower by 2050. The House bill did not include a mandate on aircraft emissions. However, the U.S. Senate introduced S. 1733, the Clean Energy Jobs and American Power Act, that would require the U.S. Environmental Protection Agency (EPA) to regulate greenhouse gas emissions from aircraft and aircraft engines by 2012.

Issue

The aviation industry has been successful in adopting an environmental agenda that supports a sustainable aviation environment. Although aviation activity generates a small percentage of total emissions, the aviation industry recognizes its responsibility in minimizing the consumption of natural resources and the production of emissions. **NATA will continue to work with Congress on reasonable emissions regulations.**

➤ European Union Emissions Trading Scheme

Last year, NATA provided its members with the latest information on the European Union's (EU) Emissions Trading Scheme (ETS). ETS is Europe's version of "Cap and Trade" regulation, designed to reduce carbon dioxide emissions through a "market-based" program. This year, U.S. operators flying to, from and between EU airports will be captured by ETS. **NATA has produced several white papers and updates on the program for its members.**

[To view NATA's EU Emissions Trading Scheme White Paper, please click here.](#)

[To view NATA's Membership Update on EU ETS, please click here.](#)

General Aviation Serves America Campaign

Background

Late last year, 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. The general aviation industry has banded together with the leadership of the Aircraft Owners and Pilots Association to educate lawmakers and the public about the role general aviation plays in our nation's economy amidst the financial turmoil that is crippling the industry.

Visit the General Aviation Serves America campaign Web site at www.gaservesamerica.com.

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

[To view NATA's "General Aviation in the United States" Fact Book, please click here.](#)