

**Statement Marian Epps, CFO
Epps Aviation**

for the

National Air Transportation Association

before the

Committee on Small Business

U.S. House of Representatives

Hearing on

User Fees in the Aviation Industry: Turbulence Ahead

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**2360 Rayburn House Office Building
Washington, DC**

Chairman Graves, Ranking Member Velazquez and members of the Committee, the National Air Transportation Association (NATA) appreciates the opportunity to appear before the Committee to discuss the detrimental impact user fees would have on the general aviation industry.

My name is Marian Epps, and I am chief financial officer of Epps Aviation in Atlanta, Georgia. I am here today to speak on behalf of the National Air Transportation Association (NATA). 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.¹ 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.

Epps Aviation is the south's premier corporate and general aviation facility. Owner and founder Pat Epps has come a long way since the aviation pioneer days when his father, Ben T. Epps, the first pilot in Georgia, built and flew his first aircraft in 1907. Ben's six sons and two of his three daughters all became pilots. In 1965, Pat bought a small fixed base operation at DeKalb-Peachtree Airport (PDK) and began Epps Aviation. Through the years, Epps Aviation continued to grow. Today, more than four decades later, Epps Aviation employs more than 160 team members and operates on a total of 21 acres at Georgia's second busiest airport. The facility consists of the original main hangar, a terminal lobby, two maintenance/avionics hangars totaling 54,000 square feet, five corporate aircraft hangars, 40 T-hangars, and its own fuel farm. The breadth of Epps' aviation sales and services include fueling, storage, maintenance, avionics, new and used aircraft sales, and charter.

Epps Aviation, like many small businesses supporting the aviation community, has felt the effects of a slower economy and is working to build business back to pre-recession

¹ NATA is the leading national trade association representing the legislative, regulatory and business interests of general aviation service companies and provides education services and benefits to our members to help ensure their long-term economic success.

levels. However, the administration included a tax proposal in their deficit reduction plan that would require all air transportation providers (commercial airlines and general aviation operators) to pay a \$100 per-flight departure fee. This departure fee would decimate small businesses and organizations around the country that depend on general aviation. In a time when general aviation businesses are looking to spur economic and job growth, the imposition of a user fee would also be detrimental to the many states with little or no commercial airline service where general aviation plays an integral economic role.

Background

The general aviation industry is critically important to the economy. The industry employs 1.2 million workers and generates \$150 billion annually in economic activity. General aviation, small airports and related businesses provide access to a host of important services and resources, including medical care, law enforcement, disaster relief, mail delivery, fire fighting and flight training. We believe that the current system of aviation excise taxes is the most stable, efficient and equitable source of funding for the Airport and Airways Trust Fund.

User fees, on the other hand, would significantly impede general aviation in the United States for a variety of reasons including:

- **Reduction in general aviation activity:** User fees would undoubtedly result in many operators flying on a much less frequent basis due to the increased costs of using the national airspace system. Less activity will have a large ripple effect throughout the industry, with many businesses suffering due to fewer fuel sales, maintenance projects, and other services.
- **Imposition of an administrative burden:** Virtually all countries that utilize a user fee system have adopted a method of billing users of the system after their flight for the air traffic services used. None of these countries, however, have the level of general aviation activity of the United States. A system of “after the fact” bills would result in a massive administrative burden for all general aviation pilots. Companies would have to employ significant resources for verifying the bills and ensuring their accuracy. With thousands of bills being generated daily, there is a great likelihood that a significant number of these bills will be erroneous, leading to endless red tape to correct errors. The current fuel tax ensures that the aviation trust fund will receive the appropriate contribution the minute the fuel is purchased, without having to wait weeks or even months for payment.

Unified Message to the White House

Congress and the aviation industry have been unanimously opposed to the imposition of aviation user fees. Over the past five years, numerous letters from Members of Congress in the U.S. House of Representatives and the U.S. Senate, industry coalitions, and aviation associations have been sent to the administration to reiterate that per-flight user fees will cripple the aviation industry and the small businesses it represents. The government's first priority should be to create an environment in which business can grow and make important contributions to the national economy. A user fee is little more than a punitive tax that would have a lasting negative effect on an industry that contributes significantly to the nation's economy and its exports. Moreover, imposition of a user fee would create a federal collection bureaucracy that would require significant funding and manpower.

Conclusion

Concerns are high about the ramifications the proposed user fee would have on the aviation industry and the small businesses that form our core. All those impacted by this fee recognize that fuel taxes for general aviation have not been raised in more than 20 years and that some increase is warranted. We all agree that fuel taxes represent the best way for the aviation industry to contribute revenue to the federal government and support efforts to enhance the national air transportation system. However, the costs associated with user fees far outweigh any benefit to deficit reduction.

We look forward to working with the committee in resolving this onerous issue and are eager to serve as a valuable resource for aviation businesses during this critical debate.