

Facts About The National Air Transportation Association

- Founded in 1940, the National Air Transportation Association (NATA) is the public policy group that represents the interests of the general aviation business community before the Congress and federal, state and local government agencies. NATA represents nearly 2,000 aviation businesses.
- NATA's member companies provide a broad range of services to general aviation, the airlines and the military. They also directly serve the traveling public by providing fuel, on-demand air charter, aircraft rental, storage, and flight training. Other services include aircraft maintenance, parts sales, and line support as well as business aircraft or fractional ownership fleet management. NATA member companies also provide airline baggage and cargo handling services.
- NATA has always been the advocate for smaller, single-location operators that depend exclusively on general aviation for their livelihood. In fact, these smaller companies account for the majority of NATA's membership. Most NATA members have fewer than 40 employees and are designated as small businesses by the U.S. Small Business Administration.
- NATA interfaces with the Congress, as well as major federal government agencies whose policy-making authority directly or indirectly impacts the general aviation industry. These include the Federal Aviation Administration (FAA), the Department of Homeland Security (DHS), the Transportation Security Administration (TSA), the U.S. Environmental Protection Agency (EPA), the Internal Revenue Service (IRS), the Department of Transportation (DOT), the Occupational Safety and Health Administration (OSHA), U.S. Customs and Border Protection (CBP), and the National Transportation Safety Board (NTSB).
- In addition to giving the association's constituents a voice in Washington, D.C., NATA membership offers a number of ancillary benefits including its annual Aviation Business & Legislative Conference, Congressional Reception and Air Charter Summit and its highly regarded Safety 1st Professional Line Service Training (PLST) program. Considered the industry standard in line service training program, the PLST program has instructed over 16,000 line service specialists in safe aircraft handling procedures over the past 13 years. In 2008, NATA transitioned PLST from a video to an online course, making it available 24/7 and allowing for periodic program updates.
- Through the association's partnership with NATA Compliance Services the industry has access to special services, including drug testing, background screening, and fingerprinting for employees of aviation-related businesses in accordance with all current FAA and TSA regulations.
- Tom Hendricks, NATA President and CEO, serves on the Board of the Alliance for Aviation Across America. The Alliance is a non-profit, non-partisan coalition of over 5,900 individuals, businesses, agricultural groups, Fixed Base Operators, small airports, elected officials, charitable organizations, and leading business and aviation groups that are helping to raise awareness about the value of general aviation and local airports, particularly for rural communities.



Facts About The Industry

General Aviation Statistics

- General aviation's impact: The industry contributes more than \$150 billion annually in economic activity and supports more than 1.2 million jobs.
- General aviation's reach: General aviation is a critical lifeline for thousands of communities. Across the country, there are over 5,000 airports of which only 500 have commercial airline service. In 2008 alone, over 100 communities in the United States lost some or all scheduled airline service.
- General aviation aircraft: According to the General Aviation Manufacturers Association, there are over 360,000 general aviation aircraft worldwide, ranging from two-seat training aircraft to intercontinental business jets flying today. Of that figure, 223,000 are based in the United States.
- General aviation operation diversity: General aviation and local airports serve as vital lifelines for communities across the country, aiding in business and job growth, and also supporting law enforcement, medical care, disaster relief, fire fighting and nearly every aspect of public safety.

Medical, Law Enforcement and Agricultural Use

- According to the U.S. Department of Justice, in 2007 roughly 1 in every 5 large law enforcement agency had a specialized aviation unit operating at least one fixed-wing plane or helicopter. Aerial law enforcement is used in 46 states.¹
- According to the National Agricultural Aviation Association, there are approximately 1,350 aerial application businesses that use general aviation to support their farms and local communities.²
- In addition, with 46.7 million Americans living more than an hour away from a Level 1 or 2 trauma center, MedEvac fixed-wing aircraft transport 100,000+ patients over long distances annually which are not accessible by the range of helicopters. MedEvac helicopters transport approximately 400,000 patients annually.³
- The MedEvac industry employs 4,400 pilots; 600 physicians; 5,500 nurses; and 5,300 paramedics/EMTs staffing MedEvac vehicles, both fixed-wing and helicopter.⁴

Facts About Aviation In General

- General aviation manufacturing is one of the only industries to still contribute positively to the balance of trade. According to the General Aviation Manufacturers Association, U.S. general aviation manufacturers exported 720 aircraft or 47.6% of the total manufactured, which accounts for \$4.8 billion in revenue.⁵
- There are over 610,000 registered pilots in the United States (610,576 as of December 31, 2012).⁶
- There are approximately 200,000 flights every day around the world.
- There are over 3 million people in the air on planes at any one time.⁷
- In the United States alone, our nation's air traffic control system handles about 29,000 domestic and international flights each day.⁸

¹United States Department of Justice, Aviation Units in Large Law Enforcement Agencies, 2007; Bureau of Justice Statistics Special Report, July 2009, pg 1.

²National Agricultural Aviation Association: Fact Sheet: Facts About the Aerial Application Industry

³Atlas and Database of Air Medical Services, http://www.adamsairmed.org/pubs/ADAMS_Intro.pdf

⁴Association of Air Medical Services: AAMS.org

⁵2012 General Aviation Statistical Databook & Industry Outlook: http://gama.aero/files/GAMA7233_AR_FINAL_LOWRES.pdf

⁶2012 General Aviation Statistical Databook & Industry Outlook: http://gama.aero/files/GAMA7233_AR_FINAL_LOWRES.pdf

⁷<http://startupblog.wordpress.com/2011/12/06/amazing-aviationfacts/>

⁸<http://keystoneaviation.com/blog/category/general-aviation-interest/page/2/>

NATA Membership Segments



Fixed Base Operators

The fixed base operator (FBO) is the primary provider of services to general aviation aircraft operators. Long before there were scheduled passenger airlines, there were FBOs. The first were reportedly in business as early as 1914.

Aviation Resource Group International (ARGI), a Denver-based worldwide FBO marketing and consulting firm, defines an FBO as a business operating under a lease with an airport-owning authority and that dispenses aviation fuel – Jet A and/or Avgas. In addition, to be included in ARGI’s FBO definition, an FBO must perform at least one of four other basic services: line service, which may include tie-down and hangar services; technical services, such as airframe and engine maintenance; aircraft rentals, charters, aircraft management and/or aircraft sales; or flight instruction.

At some airports, FBOs have fueling contracts with commercial passenger and cargo carriers or with a government entity, such as a National Guard unit. Additionally, at certain locations, FBOs also perform line maintenance, cabin cleaning, and baggage handling for commercial airline customers.

The FBO industry in the U.S. today represents a mature industry, expanding in the post World War II era from just a few hundred to more than 10,000 FBO locations at its peak in the early 1980s, but consolidating to slightly below 3,000 today.

FBOs are sources of local employment.

Fuel and maintenance are considered the top two services provided by U.S. FBOs.

ARGI classifies FBOs as falling into one of three groups – single location, regional chain or national chain. ARGI defines a chain as an FBO company with three or more operations. To be considered a national chain in the U.S., an FBO must have facilities in at least two distinct regions of the country. A regional chain’s activities are concentrated in one specific geographical area, such as the Midwest, East Coast or Southwest.

Airline Services

Airlines service companies provide ground services to scheduled airlines. Those services include fueling, baggage, cargo, and aircraft handling, cleaning, catering, deicing, maintenance and security.



NATA's Airline Services Council (ASC) provides its member companies with a single voice within the public policy arena concerning issues that affect their viability and profitability, and serves as a catalyst for industry discussion and education. Currently, the ASC represents 20 domestic and international firms, ranging in size from single-location to multi-national companies that employ a combined workforce in excess of 90,000 at 450 airports worldwide and generate more than \$2.5 billion in annual sales.

Part 135 On-Demand Air Charter

One of the most important contributions of general aviation is providing on-demand (or as needed) transportation for freight and passengers – especially to airports that have no scheduled commercial air carrier service.

In the U.S., most operators using general aviation aircraft in a for-hire passenger and/or cargo service are certificated to operate under Part 135 of the Federal Aviation Regulations (FAR). Aircraft used in on-demand air charter operations are limited to no more than 30 passenger seats and a 7,500 pound payload.

In addition to meeting the travel needs of business and leisure customers, Part 135 air charter businesses conduct numerous other types of operations, including:

- Air Cargo
- Aeromedical
- Air Tours



Air Cargo

The growth of the large, integrated global freight carriers, such as FedEx, UPS and DHL, have brought about a segment of the on-demand character market in which the aircraft are used primarily as cargo haulers, feeding hubs and other large transshipment points for these companies.

Aeromedical Services

According to the Association of Air Medical Services (AAMS), approximately 250 organizations in the U.S. are currently engaged in the transport of seriously ill or injured people to hospitals for emergency care. Air medical transport saves lives by bringing more medical capabilities to the patient than are normally provided by ground emergency medical services, along with faster transit times to the appropriate specialty care location.

Air medical service providers usually operate from an average of 1 to 2 bases, and operate a fleet of 3 to 5 aircraft, although there are providers with as few as 1 to as many as 30 aircraft. The helicopter is the dominant fleet type, with approximately 900 aircraft in dedicated air medical services, transporting over 400,000 patients per year. The AAMS estimates that, separately, on-demand charter operators fly additional 100,000-110,000 patients per year on fixed-wing aircraft.

Air Tour Operators

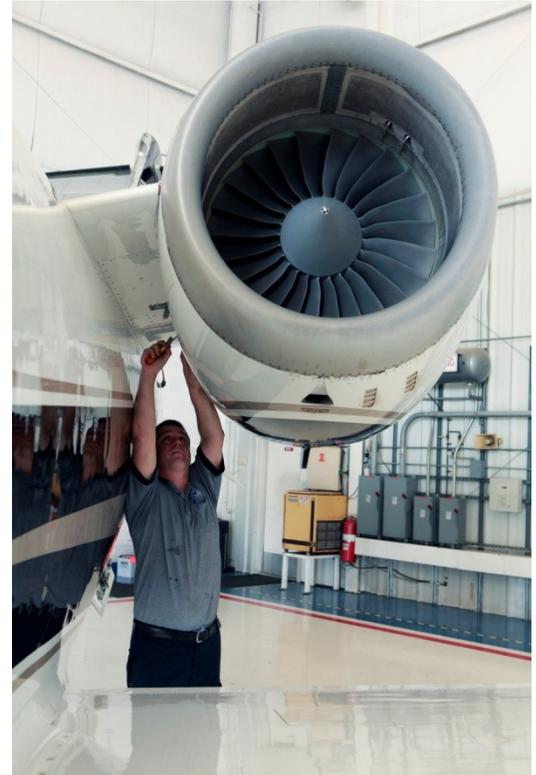
In certain scenic parts of the U.S., sightseeing flights are an important part of the local tourist industry. The United Air Tour Association (USATA), a Washington, DC-based lobbying group for the industry, reports that the U.S. air tour industry comprises approximately 275 operators flying close to 1,000 aircraft and employing about 3,000 people. It is estimated that the air tour industry contributes about \$625 million annually to the U.S. economy.

Maintenance/Repair Stations

The term repair station refers to a maintenance facility that has a certificate issued by the Federal Aviation Administration (FAA) under Title 14 of the Code of Federal Regulations (14 CFR) Part 145 and is engaged in the maintenance, preventive maintenance, inspection, and alteration of aircraft and aircraft products.

Another more general term used throughout the industry is MRO, referring to repair stations as maintenance, repair, and overhaul facilities. The term MRO is often used to describe a repair station, but is sometimes used by FBOs or other non-certificated companies employing groups of airframe and powerplant mechanics.

The FAA issues certificates to facilities located both inside and outside the United States. The total number of domestic and foreign repair stations has grown tremendously to meet the globalization of air travel and maintenance demands. At last count, there were approximately 5,000 Part 145 repair stations.



Flight Training

In the U.S., flight training is provided under three different sets of regulations; FAR Part 61, 141 and 142.

FAR Part 61 training is often provided by individual, for-hire flight instructors, as well as some flight schools. The curriculum is flexible and can be tailored to a student's specific needs, such as the amount of time he or she can devote to training.

In contrast, the operation of a certificated Part 141/142 training program mandates that the flight school use a detailed FAA-approved course outline, and the students must meet specific performance standards. In order to maintain certification, the FAA periodically audits Part 141/142 schools.

The Part 141/142 programs cater more to the full-time flight student who desires a structured training regimen. Students enrolled in a Part 142 program have the advantage of using simulators or other complex training equipment typically offered by large, multi-location companies that serve the corporate and commercial aircraft pilot.

Airports

A major advantage of a general aviation aircraft is its ability to fly to thousands of smaller airports across the country. In contrast, scheduled air carriers fly only to those places where the economics of operation justify service.

Fractional Ownership Companies

For those who do not need the use of an airplane full time, fractional plans offer all of the benefits of private aviation, including on-demand transportation, consistently high service levels and an excellent safety record. The typical candidates for fractional plan participation are businesses that do not have their own flight departments; private individuals, and corporate flight departments that need additional lift but cannot justify the cost of acquiring another aircraft. Historically, fractional fleets are predominantly comprised of light- to medium-size jets.



As the term fractional implies, participants are brought together to buy into a specific airplane, with each holding a fractional share entitling them to usage of that airplane on a predetermined hourly basis, normally over a 12-month period. Usually, the fractional unit available for purchase is one-half, one-quarter, one-eighth, or one-sixteenth. However, a smaller unit, one-thirty-second of a share, has also proven popular.

The higher the fraction or portion of the aircraft purchased, the greater the number of hours that the shareholder can fly over the term of the contract, which is normally five years. At the conclusion of the period, the owner can either extend his contract or sell his shares back to the fractional plan provider.

Fractional plan participants can hold shares in more than one airplane at any given time. The day-to-day operational management of an aircraft involved in a fractional plan is carried out by the plan's operator who is responsible for the acquisition and management of the aircraft on behalf of the shareholders. This operator also provides flight crews and takes charge of maintenance and scheduling.

All of this is paid for by the owners through management fees and other ancillary charges, such as hourly usage fees, which are separate from the cost of the shares. Since the cost of the fractional shares is directly tied to the procurement price of the aircraft, shares in a mid-sized jet will cost more than those for a light jet or twin turboprop.

Aircraft Brokers, Dealers and Distributors

General aviation aircraft are marketed primarily through dealers and brokers. While dealers purchase aircraft for resale, brokers simply bring a buyer and seller together and generally do not take possession of the airplane in the process. Often, both dealers and brokers will specialize in certain aircraft types, such as light jets, turboprops or twin pistons. Since they deal in used aircraft, brokers and dealers usually present the most affordable opportunity for aircraft ownership, especially for first-time buyers.

The sale of new aircraft is handled by independent distributors; although in the U.S., all new jet sales are factory direct. Outside the U.S., distributors play an active role in the new jet market.

Glossary

Certificate

FAA-issued license to carry passengers for hire.

FBO

Fixed Base Operator. By definition at a permanent location, this is a vendor of services, maintenance, fuel, flight instruction and aircraft sales, in addition to charter.

Flight Line

The area of an airfield, specifically the parking area and the maintenance hangars, where aircraft are unloaded, offloaded, and serviced.

General Aviation

That portion of aviation other than military or the scheduled airlines. Commercial unscheduled operations (like charter), corporate flight operations and private aviation are the most conspicuous members of this group.

IFR

Instrument Flight Rules (flight in clouds).

Jet Airplanes

Jets are powered by a kerosene-fueled turbine engine. They differ from turboprops in that their propulsion is derived not from a propeller, but from the hot gases forced from the back of an engine.

Line Service/Support

Services provided by FBO technicians including aircraft fueling, hangaring, tie-down, cleaning and parking performed on the flight line.

Payload

The weight of cargo and passengers an aircraft is capable of carrying with full fuel.

Turbine Engine

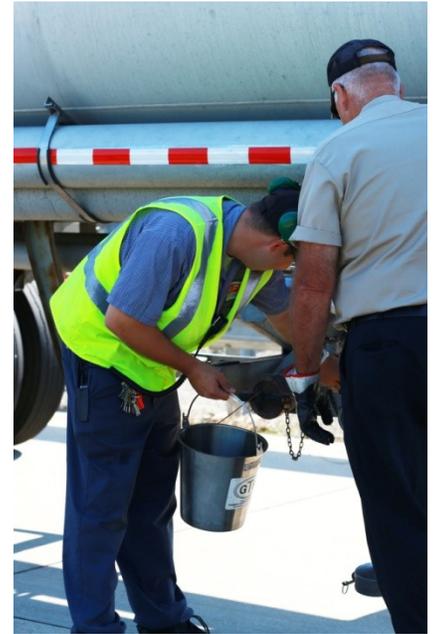
The turbine engine has no cylinders or pistons. Using kerosene as fuel, it operates by compressing air, igniting it, and using the hot exhaust gases to drive the turbine wheel. In turboprops, this power is used to turn the propeller. In jets, the gases are forced out the back of the engine and, in combination with the internal front fan, provide propulsion. This engine type allows for much greater speeds, longer ranges and higher altitudes.

Turboprop

A propeller-driven airplane, in which the engine is a jet turbine rather than piston-powered.

VFR

Visual Flight Rules (flight outside of any clouds).



Government Agencies that Regulate Aviation

A number of U.S. government agencies affect the day-to-day operation of aviation businesses. Those that make a substantial impact are detailed here.

Department of Homeland Security (DHS)

The newest of the cabinet-level federal agencies, the Department of Homeland Security was established by the Homeland Security Act of 2002 in the wake of the 9/11 terrorist attacks on the United States. Aviation is particularly affected by Border and Transportation Security, one of the four directorates within the agency. For more information, see <http://www.dhs.gov/index.shtml>

Department of Transportation (DOT)

The DOT is the parent agency of the FAA and is responsible for oversight of all modes of transportation. Links to other DOT agencies and numerous transportation statistics are available at <http://www.dot.gov/>

Federal Aviation Administration (FAA)

The FAA is charged with ensuring the safety of air transportation in the United States. This agency regulates all aircraft operations and maintenance. In addition, it administers federal airport development grants and operates the U.S. air traffic control system. With about 44,500 employees, the FAA is a large organization. For that reason, the local FAA office is a good starting point to obtain further information about the agency. FAA contact information including current and proposed regulations, publications, advisory circulars and other guidance material is available at <http://www.faa.gov/>

National Transportation Safety Board (NTSB)

Since its inception in 1967, the NTSB has been tasked with investigating every civil aviation accident in the U.S. In addition, the NTSB focuses on all other forms of transportation under certain conditions, normally where fatalities, major property damage, or the release of hazardous materials occur. Additionally, the NTSB is charged with determining an accident's probable cause and issuing safety recommendations for preventing future similar accidents. The NTSB is not involved with regulatory matters or enforcement actions. The NTSB website is <http://www.nts.gov/default.htm>

Transportation Security Administration (TSA)

The TSA was created in November 2001 in response to the terrorist attacks of 9/11. Tasked with implementing and maintaining security measures to ensure the safe movement of people and cargo via air and surface transportation, the TSA commenced operations in January 2002.

The TSA continues to be involved in any decisions to establish no-fly zones in the U.S., based on security concerns. Notifications of restricted airspace is communicated by the FAA via Notices to Airmen (NOTAMS). The TSA website is <http://www.tsa.gov/index.stm>



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