

STATEMENT OF ED BOLEN
PRESIDENT AND CEO
NATIONAL BUSINESS AVIATION ASSOCIATION

SUBCOMMITTEE ON AVIATION
COMMITTEE ON TRANSPORTATION
AND
INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

OCTOBER 5, 2011

Chairman Petri, Ranking Member Costello, members of the Subcommittee, on behalf of the National Business Aviation Association, I am pleased to have the opportunity to provide our views on the future of our national air transportation system.

We commend the Subcommittee for your commitment to improve our nation's aviation system and on-going efforts to foster economic growth and job creation during these challenging economic times. NBAA strongly supports these efforts and believes that the importance of a robust aviation system cannot be overemphasized.

Aviation, including business aviation, is a vital link in our transportation system and powerful engine for job creation and economic growth.

NBAA was founded 67 years ago to represent companies that utilize general aviation aircraft as a tool for meeting some of their transportation challenges. NBAA and our members are committed to working with the government to transform and modernize the nation's aviation system. Likewise, we are committed to policies that support the continued growth of each aviation segment, including general aviation, which plays a critical role in driving economic growth, jobs and investment across the U.S.

General aviation is an essential economic generator, contributing more than \$150 billion to annual U.S. economic output, and directly or indirectly employing more than one million people. Most general aviation aircraft operating around the world are manufactured and/or completed in the U.S., and our industry is continuing to build a strong American manufacturing and employment base that contributes positively to our national balance of trade.

FACTS ABOUT BUSINESS AVIATION

Business aviation is an FAA-defined term. According to the FAA, business aviation is the use of any general aviation aircraft – piston or turbine – for a business purpose.

From creating growth opportunities and global connectivity for America's small towns and rural areas to supporting the nation's productivity, business aviation is an important economic engine, creating jobs and investment, while contributing to the world's leading aviation system. Simply put, business aviation is a vital part of the nation's economy and transportation system.

As the Subcommittee knows, the U.S. aviation system is fully integrated. Each player is critical to the success, strength and growth of our economy. As you know, the system is made up of three segments:

- Scheduled operations, including passenger airlines;
- Military, and;
- General aviation.

General aviation includes diverse operations, with business uses that range from agriculture, to law enforcement, to fire and rescue services, to varied government, educational, nonprofit and business organizations. Servicing and supporting these organizations are FBO's, maintenance technicians, suppliers and service providers.

The business aviation fleet is dominated by pistons and turboprops, with over 80 percent of the 15,000 registered business aircraft in the U.S. having cabins about the size of an SUV, and flying on average less than 1,000 miles. The vast majority of these GA operators use small aircraft that seat no more than eight people.

A Vital Lifeline for Main Street

In small towns and rural areas across America, business aviation is an essential tool that enables businesses to thrive, grow and create jobs in their hometowns. That's because in many instances, there are no other transportation options that meet their needs.

Many small and mid-size businesses are located in areas without scheduled airline service. Businesses of all sizes require in-person travel for such operations as sales, technical support and other types of customer service. Such trips may call for multiple stops in a short period of time or travel to remote locations. Often, the distances are too long to drive or airline service is not available.

A 2009 survey of business aviation pilots and passengers, conducted for NBAA and GAMA by Harris Interactive, concludes that managers and other mid-level employees are the typical passengers on business aircraft – not senior executives.

A Lifeline in Disaster and Emergency

The business aviation community is not only an economic lifeline for thousands of our nation's communities; it also supports people and communities in times of crisis.

General aviation has snapped into action when there's a need to confront floods in the Midwest, fires in the West, or a whole host of other natural disasters. The business aviation community – working mostly on a volunteer basis – has always been quick to help assess damage, rescue those affected by these disasters, and carry in lifesaving support and supplies to the affected regions.

In addition, hundreds of GA operators carried thousands of passengers and over a million pounds of supplies to and from Haiti after the devastating earthquake there. In fact, Congress passed a resolution commending business aviation for its response to the crisis.

The people who rely on a general aviation aircraft for business are also dedicated to helping provide lifesaving flights to the communities in which they live and work. Operations like the Corporate Angel Network arrange free air transportation for cancer patients traveling to treatment using the empty seats aboard business airplanes. Angel Flight America's seven member organizations and 7,200 volunteer pilots arrange flights to carry patients to medical facilities.

Veterans Airlift Command uses business airplanes and unused hours of fractional aircraft ownership programs to provide free flights for medical and other purposes for wounded service members, veterans and their families.

Veterans Airlift finds volunteers in the business aviation community to fly missions on request and contribute the full cost of their aircraft and fuel for the missions flown.

ECONOMIC CHALLENGES FACING GENERAL AVIATION

Unfortunately, the people and businesses in general aviation, like other industries, are weathering one of the worst economic storms anyone has ever seen. The impact of the flagging economy on the companies and communities that rely on general aviation is visible in all parts of the country.

Over the past few years, we saw business aviation flying decrease by as much as 35 percent in some locations. The inventory of used airplanes available for sale reached an all-time high, with close to one in five airplanes for sale. Prices for business airplanes declined by 40 percent, and employment at leading general aviation companies fell by as much as 50 percent. While we have seen some uptick in flight activity in recent months, activity is still below the 2008 levels and experts agree that the recovery will be slow and gradual over the next several years.

NEXT GENERATION AIR TRAFFIC CONTROL TECHNOLOGY

While much has changed for the industry I represent as a result of the recession, one thing has remained constant – our continued support for modernization of the nation's air traffic control system. We commend the Subcommittee for conducting a thorough examination of all of the issues related to system modernization.

Accelerating the transition to the Next Generation air transportation system will advance important national objectives including: further reducing the industry's environmental footprint, reducing long-term costs at the FAA, enhancing safety, expanding system capacity and reducing delays.

General aviation has long been at forefront of the modernization effort. We were early adopters of GPS navigation systems. We helped initiate the ADS-B test program in Alaska – a test program that is now the cornerstone technology of the modernization effort. We also participated in the ADS-B experiments at the Atlanta Olympics in 1996. In 2005, we supported our nation's transition to Reduced Vertical Separation Minima (RVSM) which effectively doubled our en route airspace capacity.

So, while general aviation has never been nor is it projected to be a major cause of system delays, we have a strong record of working tirelessly to expand system capacity and improve system efficiency. Thus, it should come as no surprise that general aviation has been a leading proponent of NextGen.

In order to expedite the transition to NextGen, it has been suggested that government investment in aircraft equipage is an important infrastructure investment that will streamline the system and further reduce aviation's already small environmental footprint. As the Subcommittee reviews these questions, we urge you to be sure that any program developed is equally available to all operators in the system.

NEAR TERM PROGRESS ON NEXTGEN

As we look forward to areas where measurable progress can be made in the near term, NBAA believes that one area that would be most beneficial for our members would be in the continued development and expansion of new satellite navigation approaches into small, medium and large-sized airports where we operate.

Among the benefits of satellite-based approaches is that they permit more fuel-efficient descents. For example, at airports like Albuquerque (ABQ), Las Vegas (LAS), El Paso (ELP) and Reno (RNO), FAA and air carriers have developed RNAV Visual Flight Procedures that provide smooth, fuel efficient, low emission descents that reduce ATC communications and enhance safety during periods of good weather conditions.

Unfortunately, FAA has no current plans nor approval processes to permit properly equipped business aircraft to fly these RNAV Visual procedures-- even though the majority of our crews fly highly advanced aircraft and participate in regular simulator training sessions.

Other NextGen procedures, such as WAAS/LPV approaches, provide predictable access in periods of poor weather and support reliable business aviation access to the communities served by business aviation. In some cases in larger metropolitan or mountainous areas, Required Navigation Performance/Authorization Required, or RNP/AR procedures are the Satnav approaches that work best.

RNP/AR approaches are more technically advanced and require a very laborious and highly customized FAA design and approval plan to implement. This results in obtaining a costly set of approvals for each operator which currently has a very limited benefit for the general aviation community today. We need the FAA to streamline and standardize these approvals and make them available at hundreds of field offices -- not just through a slow centralized process at headquarters.

Additionally, we need FAA to provide the operational infrastructure to support ADS-B as a replacement for radar surveillance and aircraft separation. There is a broad range of certification standards for avionics, advisory circular guidance and operational approvals as well as specific procedural items that are needed before this equipment can be manufactured, purchased and installed in general aviation aircraft.

Finally, we need FAA to continue their efforts in the ADS-B research and development areas. This includes implementing specific operational trials and demonstrations that prove the benefits of ADS-B. All of these "action items" are contained in the ADS-B IN ARC report that was delivered to FAA on Sept 30th.

As I have stated, NBAA supports our nation's transition to NextGen. We are prepared to do our part to help our country realize the benefits of NextGen including a smaller environmental footprint, enhanced safety, expanded capacity and reduced delays. Please understand, however, that our ability to support NextGen is currently at risk because of the proposed \$100 per flight fee that is threatening our industry.

Today, general aviation covers the incremental costs it imposes on the air transportation system through a per-gallon user charge. It is the best possible method for generating revenue from our industry. Per-gallon user charges are inexpensive for the government to collect and impossible for users to avoid. They are easy to understand and impose no administrative burden on operators. Per-gallon user charges directly correlate to one's use of the system and provide an incentive for environmentally friendly flying. They are also progressive in nature.

The benefits of per-gallon fuel charges stand in stark contrast to the per-flight taxes which would require our government to stand up new collection bureaucracy--a "Sky-R-S" branch of the FAA. The per-flight fee would also impose a huge administrative burden on small operators and establish a regressive tax scheme that unfairly penalizes smaller operators flying shorter routes.

Mr. Chairman and Ranking Member Costello, the general aviation community is grateful for the tremendous leadership and oversight this subcommittee has provided as we collectively work to develop, implement and fund NextGen. We look forward to continuing to work with you to make NextGen a reality sooner rather than later. And we thank you for consistently recognizing that per-gallon fuel charges work but per-flight taxes destroy.

Thank you.

NBAA SENIOR EXECUTIVE BIOGRAPHY

Edward M. Bolen, President and CEO



Ed Bolen became the president and CEO of the National Business Aviation Association (NBAA) in Washington, DC, on September 7, 2004.

Prior to joining NBAA, Bolen was president and CEO of the General Aviation Manufacturers Association (GAMA) for eight years. Bolen joined GAMA in 1995 as senior vice president and general counsel. GAMA's board of directors elected him president and CEO in November 1996.

Bolen was nominated by President Bush to serve as a member of the Commission on the Future of the U.S. Aerospace Industry. Established by Congress, the commission's objectives were to study and make recommendations on ways to ensure American leadership in aerospace in the 21st century. The final report was released in November 2002.

Bolen was nominated by President Clinton and confirmed by the U.S. Senate to serve as a member of the Management Advisory Council (MAC) to the Federal Aviation Administration (FAA). He chaired the Council from 2000 to 2004.

Bolen is the immediate past chairman of RTCA, Inc., a not-for-profit corporation that functions as a Federal Advisory Committee to the FAA on matters related to communications, surveillance, navigation and air traffic management. He also serves on the Aviation Advisory Board of the Mitre Corporation, a federally funded research and development corporation.

He is a member of the Board of Governors of the Flight Safety Foundation and the Board of Directors of the National Aeronautic Association. He also serves on the Aeronautics and Space Engineering Board of The National Academies.

Prior to his association career, Bolen was majority general counsel to the Senate Committee on Labor and Human Resources. He also served as legislative director for U.S. Senator Nancy Kassebaum (R-KS) and was a key player in the passage of the General Aviation Revitalization Act of 1994.

Bolen received his Bachelor of Arts in economics from the University of Kansas. He is a graduate of the Tulane University School of Law and holds a Master of Laws degree from Georgetown University Law Center.

Bolen, a recreational pilot, is also a competitive tennis player and former captain of the University of Kansas varsity tennis team.

Last updated October 2010

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

Edward M. Bolen

(2) Other than yourself, name of entity you are representing:

National Business Aviation Association

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES If yes, please provide the information requested below and attach your curriculum vitae.

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

To the best of my knowledge, the National Business Aviation Association has received no grants or contracts during the current fiscal year or either of the two previous fiscal years.

Edward M. Bl-
Signature

9/29/11
Date