

May 6, 2011

The Honorable John D. Rockefeller IV
Chairman
Senate Committee on Commerce, Science,
and Transportation
254 Russell Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman;

We write today to express our appreciation for your work in advancing a comprehensive reauthorization bill for the Federal Aviation Administration (FAA) and to outline some of our associations' key common positions on this legislation. The Aerospace Industries Association (AIA) and the General Aviation Manufacturers Association (GAMA) represent over 385 civil aviation manufacturing companies. The civil aviation manufacturing industry supports 1,590,000 direct and indirect jobs and generates \$225 billion in economic output from manufacturing and related activities annually.¹ In 2010, the aerospace industry exported \$80.5 billion and imported \$27.2 billion, providing a net surplus of \$53.3 billion, the largest of any manufacturing sector.²

The work you are doing to finalize this bill is critical to our industry and the nation. We believe this legislation-with the key provisions outlined in this letter-can enhance our nation's strong aviation safety record, our industry's long-term competitiveness and our ability to provide good, well-paying jobs to manufacturing employees. We believe the length of this authorization bill should be at least 4 years to provide stability for FAA to plan effectively and implement management and organizational changes contained in both the House and Senate bills.

Ensuring the Global Gold Standard for Aviation Safety

FAA Repair Station Oversight

Both the House and Senate bill take important steps to improve repair station oversight. Importantly, both bills do this without undermining an important aviation safety agreement between the U.S. and Europe. While both bills are to be commended for this approach, the House bill is preferred because it relies on a risk-based approach which better allows FAA to address the safety oversight requirements of repair stations in the most effective and efficient manner. We strongly urge the Conference Committee to adopt Section 315 of HR 658.

Ensuring Wider Use of Safety Management Systems

The commercial aviation accident rate has declined dramatically over the past two decades. Much of this improvement can be attributed to the U.S. aviation industry's increasing reliance on FAA-approved voluntary safety reporting programs, such as the Flight Operations Quality

¹ *The Economic Impact of Civil Aviation on the U.S. Economy*, FAA, Dec. 2009.

² US Census Bureau, *Merchandise Trade Exports/Imports Quarterly 2010*.

Assurance Program and Aviation Safety Action Program, which help gather data to proactively spot trends and take corrective action to prevent future accidents and incidents.

The industry and FAA are on the brink of taking the next critical step in using data more effectively to address critical safety concerns and predict possible causes of accidents before they occur. However, this progress will be slowed if Congress does not provide appropriate legal protections for voluntary data programs and safety management systems. This need was recognized by Secretary of Transportation Ray LaHood's Future of Aviation Advisory Committee (FAAC), which included representatives of the airline, airport and aerospace communities, as well as labor and consumer groups.

Like the FAAC, we believe Congress can take a critical step forward in enhancing our ability to address current safety problems and meet future safety challenges through the protections provided in Sections 337 and 338 of HR 658, and urge that they be included in any final FAA reauthorization legislation.

Consistency of Interpretations in FAA Policy and Guidance

Last October, the Government Accountability Office (GAO) released a report citing FAA's inconsistent interpretation of regulations as a leading challenge for the aviation industry (GAO-11-14). FAA staff offices continuously develop new policy and guidance to support the broad range of new products and technologies which our companies develop. Unfortunately, new policy and guidance sometimes changes long-standing regulatory interpretation and has no safety justification.

Today, these issues are addressed on a case-by-case basis consuming significant resources across both industry and FAA. Section 305 of HR 658 addresses a number of these concerns and establishes a joint stakeholder/government panel to review the GAO report, and develop additional information and recommendations on how to improve the FAA's consistency of interpreting regulations. Manufacturers believe this is a positive step toward addressing consistency in the regulatory process and urge its inclusion in the final bill.

Restricting Helicopter Operations without a Rulemaking Proceeding—A Dangerous Precedent

S. 233 includes a provision that our respective associations believe creates a troubling precedent for aviation. Specifically, Section 740 would implement noise restrictions on helicopters operating in the New York City airspace, supplanting an ongoing FAA rulemaking that has generated numerous comments from a variety of stakeholders. If enacted, the provision would contradict well-established rulemaking procedure and deny the due process rights of industry and the flying public. We urge conferees to remove Section 740 from the final legislation and allow the FAA to move forward with its rulemaking.

Resourcing and Process Improvements for Aircraft Certification

Our companies continue to invest in new products to enable needed improvements in air transportation efficiency and safety and also to take advantage of global economic opportunities and maintain leadership in an extremely competitive marketplace. In order to get new products to market, FAA must certify all major aircraft systems, components and technologies. Despite the best efforts of FAA, there are more new certification projects than the FAA can support. Delay in this process results in increased costs, missed business opportunities, and affects economic and job growth. These certification challenges will become ever more daunting if government funding for certification resources is reduced.

Both the Senate and House bills include important provisions to address these critical issues and make key process improvements so FAA and industry can better manage the certification process. Importantly, both the House and Senate bills contain provisions (Section 303 in HR 658; Section 504 in S. 223) to advance Certified Design Organizations (CDO). However, practical implementation of this provision requires the final legislation to include its applicability to both design and production organizations as contained in the House language.

In addition, Section 304 of the House bill directs FAA to convene a committee of industry stakeholders to begin looking at ways to more effectively streamline the certification process. FAA will still need sufficient certification resources but these efficiency improvements will provide industry much needed support to meet its certification requirements. Section 215 of HR 658 and Section 318 of S. 223 focus specifically on improving the process for certification of NextGen technologies. We strongly support all of these provisions because, without improvements, FAA will be unable to keep up with manufacturer developments, impairing our ability to create and maintain jobs in this country and delaying upgrades to our nation's air transportation system.

Advancing NextGen—A National Imperative

We appreciate the effort and thought that has gone into both bills in terms of advancing NextGen. We support Section 314 of the Senate bill for pushing the deployment of RNP procedures at large, medium and small hub airports. We also support the sections of both bills that put an appropriate focus on performance metrics so that we can monitor and evaluate progress in the National Airspace System (NAS).

NextGen aircraft equipage is a decisive factor in determining whether the promise of NextGen will be realized. Having hundreds of ADS-B ground stations without equipped aircraft is the equivalent of having cell phone towers without cell phones. Aviation users are reluctant to invest in new avionics for three reasons—the expense without a definitive payback horizon, the slow transition to NextGen user benefits, and FAA's track record of past technological programs either being abandoned or facing significant delays.

The FAA reauthorization is a significant opportunity to encourage users of the National Airspace System to invest in equipping with NextGen technology. To that end, we encourage the conferees to reach consensus between Section 221 of HR 658 and Section 328 of S. 223. It is important for this compromise to strike the right balance to incentivize users—both commercial airlines and general aviation operators—to equip with NextGen technologies. A conference agreement enabling early equipage will accelerate our ability to increase capacity, improve safety and reap environmental benefits. This will greatly improve our air traffic control system while invigorating the economy.

Making Environmental Progress

Cooperation in fundamental research and development between relevant government agencies and industry has enabled significant breakthroughs in civil aviation dating back to the earliest days of flight. The government can augment industry's efforts to reach Carbon Neutral Growth by 2020 (CNG 2020+) by continuing to make targeted investments in the areas of aircraft engine design, airframe design and the development of sustainable alternatives to jet fuel.

The ambitious goal of CNG 2020+ will only be achieved if government and industry can continue to work together, rationalizing financial investments and pooling technical expertise

through programs like CLEEN. Sections 602 and 603 of S. 223 are critically important to achieving CNG2020+ and should be included in the final bill.

In addition, the House bill contains Section 1011 that directs FAA to develop a comprehensive plan to provide a safe and efficient transition for piston engine aircraft to an unleaded aviation gas. This is an important provision deserving of the conferees' support.

Financing the Aviation System

We are extremely pleased that both bills rely on the current system of aviation taxes versus other funding mechanisms. The Senate bill proposes an increase in the fuel tax paid by general aviation operators and also provides a more effective system of taxation for fractional ownership programs. The increases in general aviation taxes are to be reserved for further investments in NextGen technologies. We continue to support additional funding for NextGen technologies and research if these increased resources can be made available by the conferees.

Protecting the BARR Program

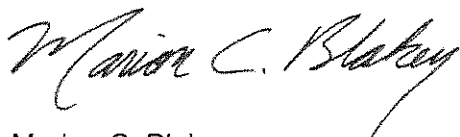
Manufacturers and operators alike are very concerned that a policy change proposed by the Department of Transportation (DOT) would constitute an unnecessary and undesirable invasion of privacy, hampering the mobility of citizens and companies.

American companies need to be able to operate and explore new business opportunities free from surveillance or competitive interference. Under the proposed policy change, business competitors would be able to track the movements of private aircraft owners, making it easier to discern their proprietary business plans. In order to protect against the dissemination of this sensitive information, we strongly encourage the adoption of Section 817 of HR 658.

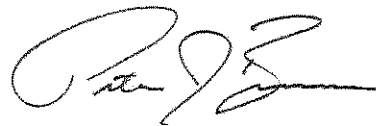
Conclusion

Thank you once again for your unwavering commitment to advancing a multi-year FAA authorization. As Congress continues the consideration of this important legislation, AIA and GAMA stand ready to work with you to advance our shared goals of enhancing aviation safety, advancing NextGen and maintaining the global competitiveness of U.S. aviation.

Sincerely,



Marion C. Blakey
President and Chief Executive Officer
Aerospace Industries Association



Peter J. Bunce
President and Chief Executive Officer
General Aviation Manufacturers Association