

# Implementing a Strategy for Recovery of Business and General Aviation

## An AIAA Information Paper

### Overview

General Aviation (GA) continues to struggle in recovering from the combined effects of the current economic climate and the political criticism driven by the perception of corporate excess. The timely recovery of GA is important to the U.S. because it is an integral and vital part of the airspace system operated for the public benefit, a high-technology industry, and a critical component of the overall U.S. economy.

### Background

GA consists of all aviation activities that are not conducted by scheduled airlines or the government, and encompasses private pilots who fly for personal use; operators who use aircraft (airplanes, helicopters, airships, balloons, gliders) to make a living with activities such as crop dusting, pipeline patrols, and flight training; and operators who use aircraft for business transportation, with vehicles ranging from small piston single-engine aircraft to helicopters or large business jets. The American aircraft manufacturing industry is not only a critical component of the overall U.S. economy, but is a high-technology industry in which America currently leads the world. The contributions of GA to the U.S. economy and technology base are significant and include:

- Employing more than one million Americans in high-paying, skilled jobs in manufacturing, managing, and maintaining GA aircraft, contributing more than \$150 billion to the U.S. economy, just prior to the present economic recession.
- Leading the world in a high-tech industry. Based on data from GAMA, U.S. production peaked in 2007 at 3270 aircraft, representing 75% of worldwide GA deliveries. In 2009, however, U.S. production was 1,589 aircraft, a decline of more than 50%. Market share slipped to 70% of worldwide deliveries, and a significant number of orders for future deliveries have gone to foreign manufacturers.
- Benefitting the entire country. The GA manufacturing base is distributed around the country, with small vendors in many areas contributing parts, assemblies, avionics, painting, and interiors.
- Keeping good jobs in the U.S. Aircraft used in business and for personal use require maintenance, which are jobs that are not exported overseas and are distributed around the country in communities where the aircraft are used.
- Boosting productivity. Companies using general aviation aircraft have historically been more productive and exhibited stronger growth than those that do not.
- Aiding humanitarian efforts. GA has played an important role in disaster relief efforts (e.g., after Hurricane Katrina, the earthquake in Haiti, etc.), since GA aircraft can frequently operate out of areas not served by large airports.
- Supporting the entire aviation industry. Virtually all U.S. pilots are trained in aircraft built by GA manufacturers.

### Recommended Actions

Recently, caucuses have been formed within both houses of Congress to support General Aviation. This is a very positive sign, and we hope that the caucuses will help Congress and the Administration become strong champions for the GA industry and take steps to accelerate its recovery. Specifically, Congress and the Administration should:

- Complete passage of an FAA reauthorization bill to provide the resources and policies necessary to move ahead with air traffic modernization. More direct routing and congestion reduction will reduce fuel consumption and the carbon footprint of aviation.
  - Accelerate the overdue modernization of the air traffic control (ATC) system, e.g., NextGen.
  - Provide incentives that would allow the GA segment to offer significant enhancements to overall system safety and efficiency, e.g., ADS-B and low-cost digital flight data recorders (DFDR) for GA aircraft.
  - Support local GA airports to reduce congestion at air-carrier airports.
- Continue extending bonus depreciation for GA aircraft as one means to provide economic stimulus to the industry.
  - Provide certainty and incentives for manufacturers to start growing again by encouraging investment and creating demand.
  - Boost job growth and support a critical sector in the U.S. economy.
- Invest in research and technology with emphasis on GA applications.
  - Make the recently extended research and development tax credits permanent, to encourage innovation of new technology, improve existing products, and create new products.
  - Dedicate aviation revenue streams to advanced aviation research and development. For example, retaining climate bill fees on aviation for investments in aviation infrastructure such as NextGen, which in turn may reduce emissions.
- Support segments of GA that encourage new pilots and aircraft owners, e.g., the continued maturation of the Light Sport Aircraft (LSA) classification, and the popularity of the experimental and homebuilt segment of GA.
  - The experimental/homebuilt aircraft segment often serves as an innovation and testing ground for ideas that make their way into the certified or LSA market, and helps keep aviation technology and manufacturing leadership in the U.S.
  - Over 4,000 new Sport Pilot Certificates have been issued since the program's creation in 2005.
  - The FAA forecasts growth in the LSA segment from 7,300 to 16,300 aircraft by 2030, and in homebuilt/experimental aircraft from 29,100 to 39,900. This projected growth represents a significant opportunity for U.S. leadership.
  - More than 60% of current LSA designs are of foreign manufacture.
- Invest in the certification and production infrastructure to develop and certify alternative fuels (e.g., 100LL replacement) for existing aircraft piston engines.
  - Aviation gasoline represents less than 0.5% of gasoline consumed.
  - To date, despite attempts for over 20 years, there have been no successful replacements developed.
  - Congress should encourage the FAA to develop new testing standards that will allow timely and economical introduction of unleaded or alternative fuels.