

STATEMENT FOR THE RECORD
SUBMITTED TO THE
U.S. House of Representatives
Committee on Transportation and Infrastructure
On
Hearing:
“Putting U.S. Aviation at Risk: The Impact of the Shutdown”

February 13, 2019

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Chairman DeFazio, Ranking Member Graves and members of the Committee on Transportation and Infrastructure, thank you for holding this important hearing to address the significant challenges faced by the entire aviation system during the most recent 35-day partial government shutdown. On behalf of our 11,000-member companies, the National Business Aviation Association (NBAA) is pleased to submit this statement.

The United States has the largest, safest and most diverse aviation system in the world, and this system functions so well thanks to tens of thousands of dedicated Federal Aviation Administration (FAA) employees. While much of the discussion during the most recent shutdown focused on our traffic control system, there were also negative impacts on the general aviation industry. General aviation annually contributes \$219 billion to the U.S. economy and provides more than 1 million jobs, many of which are dependent on a fully-functioning FAA.

One of the major challenges for NBAA members during the shutdown was reduced staffing at Flight Standards District Offices (FSDO). While certain aviation safety inspectors were deemed essential and worked without pay during the shutdown, the reduced staffing meant that only safety-critical functions could be performed. Safety is of course the number one priority; however, FSDOs perform other functions that general aviation operators rely upon to conduct their business.

This meant that during the most recent shutdown, Part 135 air charter operators were unable to add new aircraft to their fleets. For NBAA member company Jet Logistics Inc., which transports human organs for transplant using Part 135 aircraft, this presented a significant challenge. The company was prepared to add two new aircraft to its charter certificate as there is a growing need for operators who are qualified to conduct organ-transplant flights. However, due to the 35-day shutdown, the two new aircraft, representing a \$12 million-dollar investment were grounded, halting transplant flights.

For another Part 135 operator that provides cargo flights to a small community lacking service from larger carriers, the shutdown reduced their ability to provide service. In order for its pilots to be qualified and meet FAA requirements, the operator needed a check airman that had a current authorization. During the shutdown, this authorization could not be issued, and the operator was forced to ground four of its five cargo aircraft. This had serious financial consequences for both the cargo company and the clients that rely upon its service.

For flight training providers, the shutdown resulted in delays and slowdowns that reduced the number of qualified pilots available to the industry. To issue pilot certificates, flight training providers require regular authorizations from the FAA, and these could not be renewed during the shutdown. The inability of training providers to issue certificates had the potential to halt pilot training and prevent aircraft from having the necessary crews to operate.

During the shutdown, the qualifications for training center evaluators also expired and there was a backlog for approval of flight simulators. This made it impossible for organizations to conduct critical training activities, resulting in negative economic impacts. Training providers work in close partnership with the FAA, and for this system to generate qualified pilots, there simply cannot be extended government shutdowns where critical authorizations expire.

With passage of the FAA Reauthorization Act of 2018, the FAA Aircraft Registry was deemed essential, meaning that dedicated registry staff worked without pay during the shutdown. This change allowed

aircraft transactions to continue, and NBAA appreciates the leadership of this Committee in working to deem the Aircraft Registry as essential. However, although the registry was operating, the Office of Aeronautical Central Counsel was closed during the shutdown. This meant that aircraft registrations requiring a FAA legal opinion, including those involving limited liability corporations and trusts, could not be processed. Many companies utilize these structures for regulatory compliance and the inability to secure FAA legal opinions delayed aircraft being placed into service.

With the far-reaching impacts of the 35-day government shutdown on general aviation, NBAA supports a targeted solution to providing the FAA with funding certainty. We thank Chairman DeFazio and Aviation Subcommittee Chairman Larsen for their leadership in introducing H.R. 1108, the Aviation Funding Stability Act of 2019. Under this bill, the FAA would be permitted to use funds from the Airport and Airway Trust Fund to continue operations and pay employees during a shutdown. With balances in the trust fund growing, this approach provides funding certainty, while maintaining congressional oversight of our nation's airspace system. NBAA supports this legislation which ensures our aviation system continues to operate safely and efficiently.

The 11,000-member companies with NBAA appreciate the dedication and commitment of FAA employees during the extended shutdown. Through their work, our system continued operating, but we must understand the significant consequences and work to avoid another FAA shutdown in the future.