

**Statement of Rick Hale
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**U.S. House Ways and Means Committee
Subcommittee on Select Revenue Measures**

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Chairman Neal, Ranking Member English and members of the Subcommittee, good afternoon. This is the first time I've testified before Congress, and it's a privilege to be here.

My name is Rick Hale, and I'm a businessman from Sharon, Pennsylvania. I'm here on behalf of the National Business Aviation Association. I'm the president and CEO of Winner Aviation, a family-owned business located just over the Pennsylvania border in Vienna, Ohio.

Our 57 full-time employees and 8 part-time employees provide a variety of services to the commercial and general aviation community. I guess you could say I wear several hats, so I understand general aviation from several angles.

For example, our company has a turboprop aircraft that we use for customer charters. It's a King Air, similar to the model I have here, and it's about the size of a large SUV inside. It flies a few hundred miles at a time, and mostly uses small community airports in remote locations.

Because our clients use general aviation to do business outside of Youngstown, their companies are able to remain in Northeastern Ohio and Western Pennsylvania. That's important at a time when our part of the country is losing businesses at an alarming rate.

Since our local area has very little commercial airline service, Winner Aviation also operates a Fixed Base Operation, or "FBO." Our FBO helps customers with aircraft fueling, de-icing and handling.

Our company also handles cargo, facilitates life flights, moves federal prisoners and provides other services.

We also do a lot of maintenance, including engine repair, structural maintenance, and avionics installation and repairs. It's the kind of work that keeps highly skilled, college-educated technicians in the local community.

So basically, Mr. Chairman, I represent a small business that operates, handles and does maintenance work on piston, turboprop and turboprop aircraft.

These aircraft are critical to the survival of my company and the companies we serve. My story is a typical one – every Member of this Subcommittee has businesses in their state that are like mine.

You don't often hear about companies like Winner Aviation when people talk about business aviation. Instead, people tend to focus on large Fortune 500 companies. That's unfortunate, since the business aviation community is made up mostly of small and mid-size businesses like mine.

The main point I'd like to leave you with today is this: The general aviation community supports aviation system modernization, and is ready to help pay for it.

But to do that, general aviation operators want to pay at the pump through fuel taxes – *not* through user fees or new taxes.

The fuel tax is an easy and effective way to pay for use of the system. Taxes are paid when the aircraft is fueled up, and there's no paperwork, collection agents, or bureaucracy involved.

Now, I'm a businessman, so I haven't followed the specifics of the various proposals under consideration. But, the one crafted by the House Transportation and Infrastructure Committee for FAA funding and system modernization seems to be the only solution.

As I understand it, H.R. 2881 would provide additional money from general aviation for FAA funding and aviation system modernization. At the same time, it would let operators keep paying at the pump.

It makes no sense to me why user fees, or other untested funding formulas, should take the place of the simple payment method general aviation is now using.

Business aircraft operators have experience with user fees. Consider the example of Jim Martin, the president of Martin's Pastry Shoppe, another NBAA Member in Chambersburg, Pennsylvania.

He sometimes flies into Canadian airspace, so he comes into contact with NavCanada, the user fee bureaucracy. When Jim learned that I would be here today, he sent me a letter, which says:

"We operate two turboprops and two piston aircraft. We have had experience with user fees in Canada, and they are awful. The bills are usually wrong and take two to three trips through our accounting department, and NavCanada's accounting department, to settle. We spend a great deal of administrative time and costs to process the bills."

Unfortunately, Mr. Martin's experience will become all too familiar if user fees are adopted in the U.S. Staggering administrative costs for business aircraft operators will become a fact of life.

I've heard people say that the user fee proposals before Congress would target only jet aircraft. My understanding is that those proposals target *all* turbine aircraft. That includes aircraft just like this King Air, or the turboprops used by Martin's Pastry Shoppe and many other businesses.

Why would anyone want to put this administrative burden on these companies? Our small businesses strive to avoid red tape and inefficiencies. User fees will open the door to those very challenges.

I respectfully request that Congress oppose user fees, or any other measures that would take money from businesses in the general aviation community to give another segment of the industry a tax break.

Mr. Chairman, I'll conclude by repeating what I said earlier: If Congress needs additional revenue for aviation system modernization, the general aviation community is prepared to contribute. But, please allow these operators to contribute solely through the fuel tax.

It has been an honor to speak to you today. Those of us in business aviation want to work with Congress on approaches to modernization that benefit all aviation segments.

Again, thank you, and I'll be happy to take your questions.

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