

**STATEMENT OF ED BOLEN**  
**PRESIDENT AND CEO**  
**NATIONAL BUSINESS AVIATION**  
**ASSOCIATION**

**BEFORE THE**  
**SUBCOMMITTEE ON AVIATION**  
**OPERATIONS, SAFETY AND SECURITY**

**COMMITTEE ON**  
**COMMERCE, SCIENCE AND**  
**TRANSPORTATION**

**U.S. SENATE**

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Mr. Chairman and members of the Subcommittee, my name is Ed Bolen, and I am the President and CEO of the National Business Aviation Association. I am grateful for the opportunity to appear before you today.

NBAA commends Chairmen Rockefeller and Dorgan and Ranking Members Hutchison and DeMint for the Committee's work on aviation system modernization and for holding this important hearing to discuss the future of our national air transportation system and reauthorization of FAA.

We strongly support your work to improve our nation's aviation system, which will also significantly contribute to economic growth and job creation. In these challenging economic times, the importance of a robust transportation system cannot be overemphasized.

NBAA was founded 62 years ago. Today, we represent a diverse group of approximately 8,000 businesses, government agencies, universities, non-profits, and other organizations from all across America who have only one thing in common: they depend upon general aviation aircraft to help them meet some of their most difficult transportation challenges.

NBAA and our Members are committed to working with Congress to transform and modernize the nation's aviation system. Likewise, we are committed to modernization 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. We strongly support the shared goal of keeping our national aviation system the largest, safest, most diverse, and most efficient air transportation system in the world.

**What is Business Aviation?**

Business aviation, as members of the Subcommittee well know, 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.

Eighty-five percent of the companies that utilize business aviation in the United States are small or mid-size. And surveys show that the senior executive is only on board the airplane about 15 percent of the flights.

Business aviation is used by companies to do things like visit multiple destinations in a single day; move teams of employees to locations with little

or no commercial airline service; transport products that are too big to fit in an overhead bin and too sensitive to be checked; discuss proprietary information en route without fear of eavesdropping; stay connected with the home office as they manage a difficult situation; or to stay flexible enough to respond to changing circumstances.

Let me illustrate this point with two examples:

- First, consider MacNeil Automotive, which produces rubber floor mats for cars from a factory in Illinois. The company relies on its two business aircraft – a Beech Bonanza G36 and a Cessna Citation to transport measuring instruments that are too delicate to be shipped to auto manufacturers, and won't fit in an airliner's overhead compartment. They literally cannot conduct business without their airplanes.
- Similarly, Luck Stone - a family-owned supplier of stone construction products for homes in Manakin, Virginia - must have its King Air turboprop to efficiently manage its 16 sites located across the Southeastern US.

### **Why is Business Aviation Essential to our Economy and Transportation System?**

Because Business Aviation means jobs – good jobs – more than 1.2 million manufacturing and service jobs in the United States. It is part of a general aviation industry that contributes more than \$150 billion to our economy each year and contributes positively to our nation's balance of trade.

There are more than 5,000 public use airports in the United States – fewer than 500 have commercial airline service – making business aviation an economic lifeline for thousands of communities. Business Aviation serves also as a lifeline to communities with declining airline service. Last year, over 100 communities in the United States lost some or all scheduled airline service.

Business Aviation helps business of all sizes be efficient and productive.

And, business aviation helps us respond to emergencies and provide humanitarian relief.

For example, in the days and weeks following Hurricane Katrina, hundreds of thousands of pounds of supplies were transported into small airports throughout the Gulf Coast region aboard business aircraft. These aircraft also were used to transport victims out of harm's way.

More recently, 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 been quick to help assess damage, rescue those affected by these disasters, and carry in lifesaving support and supplies to the affected regions.

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. They have arranged more than 20,000 lifesaving flights since their founding in 1981. Angel Flight America's seven member organizations and 7,200 volunteer pilots arranged more than 18,000 flights in 2005 alone 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.

## **State of the Industry**

Today, Business Aviation, indeed the entire general aviation industry, is hurting – hurting to a degree we have not experienced for decades.

- In March, business jet flights fell by 30 percent compared to the same time last year.
- Charter operations are down 40 percent.
- The inventory of used airplanes continues to rise to historic levels and prices for used airplanes have declined by 40 percent.
- Every manufacturer has been forced to lay off a significant portion of its workforce. So have FBOs, charter operators, and flight departments.
- Production lines have slowed, and in some cases stopped.
- New airplane programs have been cancelled.
- A couple of high-profile airplane companies have been forced to liquidate.

Make no mistake about it, these are very difficult times. And projections are that things will get worse in 2010. But people in the general aviation community are a resilient bunch. Keep in mind that some of the leading general aviation companies in the United States survived the Great Depression.

At NBAA, we believe that general aviation will be every bit as fundamental to America's future as it has been to its past. And, we are prepared to work with the Senate to start building that future today.

### **FAA Reauthorization**

Clearly, much has changed for the industry I represent in the two years since I last testified before this Subcommittee on FAA reauthorization.

However, in spite of all the challenges faced by the business aviation community, one thing has remained constant – our continued support for comprehensive FAA reauthorization legislation and modernization of the nation's air traffic control system.

We commend the Subcommittee for conducting a thorough examination of all of the issues during the 110<sup>th</sup> Congress, which ultimately resulted in the compromise legislation that went to the Senate floor.

That legislation provided multi-year funding for enhanced investment in FAA programs to modernize and expand the nation's air transportation system, and clearly reflected the commitment of the general aviation community to that goal. We supported the legislation then, and we continue to support it today.

Our support for FAA Reauthorization reflects general aviation's commitment to NextGen.

As this Subcommittee knows, NextGen is about technologies, policies and procedures that can expand system capacity, enhance safety, and reduce our environmental footprint by allowing more precise sequencing and spacing, improving situational awareness, and providing more direct routings.

Accelerating the transition to the Next Generation Air Transportation system should be a national priority.

For years, general aviation has been at forefront of our nation's modernization effort. We were early adopters of GPS navigation systems. We equipped to make Domestic Reduced Vertical Separation Minima a reality.

And for more than a decade, we have enthusiastically supported the development of the ADS-B test program in Alaska – a test program that is now the cornerstone technology of the modernization effort.

You can expect us to continue to be partners in NextGen as we deploy necessary ground stations, produce more RNAV/RNP routes, certify ADS-B, and find ways to collectively solve the challenging equipage issue.

## **Conclusion**

Despite the current economic challenges facing the industry, we remain committed to NextGen.

Aviation plays a critical role in driving economic growth and investment across the country. Our air transportation system is critical to the nation's economy.

We are committed to working with the Congress to complete an FAA Reauthorization bill that achieves our shared goal of keeping the U.S. aviation system the safest, largest and most efficient in the world.

NBAA and our Member companies across the nation look forward to working with this Subcommittee to accomplish this vital national objective.

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