

GWBA A News

Greater Washington Business Aviation Association, Inc.

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ACCESS IS THE KEY

May 12, 2005

Welcome to the second issue of the GWBAA News. Our goal is to update GWBAA members each month on issues of interest to the business aviation community in the Greater Washington area. Additional resources and more current updates are available at <http://www.gwbaa.com>.

ACCESS IS THE KEY! This month we have seen heightened activity in the press and on Capitol Hill spotlighting User Fees and the continuing effort to re-open Reagan Washington National Airport to general aviation. These issues are very important because they are directly related to access. Later in this newsletter, look for some concise bullets that you can use when discussing user fees – and also look for the notice related to the “Celebrate General Aviation” event on June 23, 2005. We all need to be prepared to respond to proponents of user fees and support an event that focuses on the importance of business aviation in the greater Washington area.

Upcoming Events:

Mark your calendar for upcoming GWBAA events:

- The next general membership meeting will be a complimentary luncheon on Thursday, June 9, 11:30am, at the Hilton Washington Dulles Airport (Route 28 at McLearen Road). **Universal Weather & Aviation, Inc.** will be sponsoring the lunch. There will be plenty of time for networking along with updates from NBAA's Harry Houckes and GWBAA's Bob Blouin. You are all encouraged to bring a business associate with you to the lunch. In order to plan for the food order you **must** RSVP by June 6th to rsvp@gwbaa.com or by calling (202) 415-1512; please give us your name, company, and how many people will attend, as well as a phone contact for confirmation.
- GWBAA's first annual golf tournament is scheduled for Monday, October 10; additional details will be posted on the GWBAA website soon.

In addition, a new date for the House of Representatives hearing on (and at) National Airport, originally scheduled to be held in April, has not yet been announced. GWBAA will circulate new information as soon as it's available.

Congress Endorses TSAAC:

GWBAA and NBAA were encouraged by language included in a recent Congressional spending bill that supports the Transportation Security Administration's (TSA) plans to continue moving forward on development of the Transportation Security Administration Access Certificate (TSAAC), a voluntary general aviation security program.

The report language on TSAAC approved by the House Homeland Security Appropriations Subcommittee was part of the homeland security-funding bill for fiscal year 2006. The text

GWBAA News

spoke favorably about the TSAAC program, encouraged the TSA to move forward with its development, and instructed the Agency to report back to Congress in January 2006 on plans to enhance or implement TSAAC. For more information please visit <http://web.nbaa.org/public/news/pr/2005/20050506-026.php>.

GWBAA and NBAA Applaud Nomination:

On May 6, 2005, President Bush nominated Edmund Hawley to be head of the Transportation Security Administration (TSA). If confirmed, he will be the fourth chief of the four-year-old TSA, replacing David Stone, who announced last month that he will leave the post in June. The 51-year-old Hawley is a University of Virginia Law School graduate. It remains to be seen if Hawley and the TSA will continue where Stone left off making progress on crucial issues, such as general aviation access to Reagan Washington National Airport and expanding the TSAAC program. For more information please visit <http://web.nbaa.org/public/news/pr/2005/20050509-027.php>.

Leesburg Airport:

The Loudoun Board of Supervisors is expected on June 6, 2005 to consider a proposal to develop a town center called Crosstrail near Leesburg Executive Airport. GWBAA will be carefully monitoring this proposal.

Manassas Airport:

In early April, the Manassas City Council proposed to increase the tax on based aircraft from the current rate at 1 cent per \$100 of aircraft value, to 30 cents. However, in part due to efforts by GWBAA and NBAA, on April 20, 2005 the Council abandoned the proposal. Thanks to all who attended the Council meeting and spoke up for business aviation's interests.

Points for User Fee Discussions:

The following bullet points on the effects of user fees reflect testimony that NBAA President Ed Bolen gave to the House Aviation Subcommittee earlier this month.

HOW GENERAL AVIATION CONTRIBUTES:

- Operations that are flown under FAR Part 91 are subject to three fuel taxes:
 - 1) 4.3 cents per gallon tax implemented in 1993 as a deficit reduction tax but later dedicated to the Airport and Airway Trust Fund;
 - 2) 0.1 cents per gallon tax for Leaking Underground Storage Tanks (LUST); and
 - 3) 15 cents per gallon tax on Avgas or a 17.5 cents per gallon tax on jet fuel.

The following chart illustrates the taxes paid by general aviation into the Airport and Airway Trust Fund:

GWBAA News

Part 91 Piston	Part 91 Turbine	Part 91 Fractional	Part 135 Charter	Part 135 GA Cargo
4.3¢/gallon <i>Deficit Reduction Tax</i>	4.3¢/gallon <i>Deficit Reduction Tax</i>	4.3¢/gallon <i>Deficit Reduction Tax</i>	4.3¢/gallon <i>Deficit Reduction Tax</i>	4.3¢/gallon <i>Deficit Reduction Tax</i>
0.1¢/gallon <i>LUST Tax</i>	0.1¢/gallon <i>LUST Tax</i>	0.1¢/gallon <i>LUST Tax</i>	0.1¢/gallon <i>LUST Tax</i>	0.1¢/gallon <i>LUST Tax</i>
15¢/gallon <i>AvGAs Tax</i>	17.5¢/gallon <i>Jet Fuel Tax</i>	7.5% <i>x hourly rates</i>	7.5% <i>x hourly rates</i>	6.25% <i>x shipping cost</i>
N/A	N/A	\$3.20/ passenger <i>per segment (domestic)</i>	\$3.20/ passenger <i>per segment (domestic)</i>	N/A
N/A	N/A	\$14.10/ passenger <i>per segment (international)</i>	\$14.10/ passenger <i>per segment (international)</i>	N/A

FUEL TAXES:

Although no one enjoys paying taxes, the general aviation community has always been very supportive of fuel taxes. General aviation fuel taxes are good for the government. Compliance is extremely high because the tax is paid at the same time that fuel is purchased. At the same time, administrative costs are extremely low, since the tax is paid by the operator at the pump, the government does not need the army of billing agents, collection agents, auditors and dispute resolution staff that would be needed to interface with thousands of General aviation operators. As a result, the taxes paid by users go directly into the Trust Fund without large portions being siphoned off to cover “administrative costs.”

General Aviation fuel taxes are also good for operators because they are easy to understand and easy to pay. There are no forms to fill out, and no checks to mail. There is just a simple transaction at the pump.

Fuel taxes are good public policy overall. General aviation fuel taxes measure system usage—the more a general aviation aircraft flies, the more fuel it burns, and the more taxes it pays. These taxes are progressive in that those with a greater ability to pay tend to fly larger aircraft, which burn more fuel. The fuel taxes discourage congestion since aircraft operating in crowded airspace or crowded airports are often subject to fuel-draining holding patterns or long departure lines. The general aviation fuel taxes also provide an economic incentive for the purchase of ever cleaner, quieter, more fuel-efficient aircraft.

HOW MUCH GENERAL AVIATION PAYS:

IRS records of general aviation fuel receipts and surveys of fractional companies and charter operators show that general aviation operations are estimated to have contributed in excess

of \$600 million into the Airports and Airway Trust Fund in 2004. This \$600 million represents between 6 and 7 percent of the \$9.2 billion collected in 2004.

HOW MUCH SHOULD GENERAL AVIATION PAY?

It has recently been suggested that general aviation is not contributing its fair share into the Airport and Airway Trust Fund. The purported evidence for this allegation is the fact that general aviation represents over 30 percent of IFR (instrument flight rules) operations but contributes a smaller percentage of revenue to the Trust Fund.

It is true that general aviation operations (including fractional operations and charters) do represent over 30 percent of IFR operations. A breakdown of IFR activity by type of general aviation aircraft is as follows:

Turboprops	7.2 percent
Pistons	11.2 percent
Business Jets	12.5 percent

However, as economists point out, *operational percentages do not equate to costs imposed*. Economists look at cost *drivers* rather than operational numbers when allocating costs.

In aviation, it is widely understood that our domestic air transportation system was designed and built to accommodate commercial airline operations. The large numbers of radar, controllers and ATC facilities in the Chicago area, for example are *not* there as a result of the general aviation operations in the area. That infrastructure is in Chicago in order to accommodate the peak demands of the commercial airlines at Chicago O'Hare International Airport. The same can be said of any of the airports where a commercial airline operates a hub. It can even be said of those airports like Raleigh/Durham or Nashville where the commercial airlines opened hubs but later closed or reduced them.

[Laser Visual Warning System for D.C. ADIZ Is Online:](#)

The FAA has issued a special notice advising that a new warning signal for communicating with aircraft is being deployed within the Washington D.C. metropolitan area Air Defense Identification Zone (DC ADIZ) including the Flight Restricted Zone (FRZ). The anticipated operational date is May 21, 2005.

The signal consists of highly focused red and green colored lights in an alternating red/red/green signal pattern. This signal may be directed at specific aircraft suspected of making unauthorized entry into the ADIZ/FRZ and are on a heading or flight path that may be interpreted as a threat or that operate contrary to the operating rules for the ADIZ/FRZ. The beam is not injurious to the eyes of pilots/aircrews or passengers, regardless of altitude or distance from the source.

For more information visit http://www.faa.gov/news/news_home/visual_warning/.

[National Airport:](#)

House appropriators in early May approved yet another measure ordering the Department of Homeland Security (DHS) to reopen Reagan Washington National Airport (DCA) to general aviation. The measure, included in the fiscal 2006 homeland security appropriations bill, calls for DHS to reopen the airport within 90 days after the bill is enacted. The

GWBAA News

language is one of four separate provisions ordering DCA reopened to GA that have been offered this year. DHS officials apparently are paying attention to the House demands; Secretary Michael Chertoff has met with other senior DHS officials on the DCA issue, and sources believe DHS could act in coming weeks.

Celebrate General Aviation:

Join U.S. Senator, the Honorable George Allen, for a memorable evening to "Celebrate General Aviation!" The event will be co-hosted by the Washington Airports Task Force, Signature Flight Support, the National Business Aviation Association, and the Metropolitan Washington Airports Authority, and will be held on June 23, 2005 at the Signature Flight Support Hangar at Reagan Washington National Airport, 6pm to 9pm.

GWBAA Members have a unique opportunity to have their company name printed in the program as a sponsor. If 30 member companies pledge just \$100 each to GWBAA we will be able to have your company name listed as a PREMIER sponsor for the event. Two people from your company also may attend as guests. Please note that pledges to GWBAA must be received by June 9 2005 for sponsors' names to appear in the printed program. If you are interested, please contact Bob Blouin at (202) 415-1512.

GWBAA Contacts:

Should you have any ideas or comments for future newsletters or for GWBAA, in general please don't hesitate to contact the following people:

Cassandra Bosco, Communications Chair, cbosco@tailwindscomm.com

Greg Cirillo, Events Chair, gcirillo@wrf.com

Bob Rockwood, Membership Chair, racersblue@earthlink.net

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In addition, for general issues, please contact Bob Blouin, President, at info@gwbaa.com or (202) 415-1512. The success of GWBAA lies in your ability to be involved and make a difference.