AEROSPACE INDUSTRIES ASSOCIATION

SECOND TO NONE

Civil Aviation

ISSUE: The U.S. civil aviation industry plays a vital role in the health of the world's economy.

BACKGROUND

The most recent data show that the sale of goods and services tied directly or indirectly to civil aviation constituted $1.3 trillion, or about 5.6 percent of the nation's total gross domestic product in 2009. Our industry directly and indirectly sustains nearly 12 million jobs. The U.S. aerospace industry remains the single largest contributor to the nation's balance of trade, with $87 billion in exports and a $57.4 billion trade surplus in 2011.

The global recession of the past few years has reduced demand for leisure and business travel and the shipment of just-in-time goods. Many of our nation's aging aviation infrastructure limitations have been masked by the economic slowdown. Delays are down; aircraft CO_2 emissions are 10 percent below 2005 levels. Yet, our 1960s-era air traffic control system will not be able to handle demand when it returns. Unless we invest in sorely needed transformational aviation infrastructure now, civil aviation-generated economic growth will be stunted and the economic cost of system delay will likely eclipse $40 billion annually by 2012.

FAA has already invested more than$3 billion in the Next Generation Air Transportation System and plans to spend up to $20 billion more. The contract to install ADS-B ground stations throughout the country is on time and on budget and should be completed by 2013. The economic and environmental benefits of NextGen, when fully implemented, are impressive. Routing and delay-reducing efficiencies will save billions of dollars annually and save more than a billion gallons of fuel. Those are conservative estimates which will provide an economic return on government investment in less than three years and will be the environmental equivalent of removing 2.2 million cars off the road. The global aviation industry has committed to improve overall fuel efficiency by 1.5 percent per year through 2020; achieve carbon neutral growth from 2020; and cut aviation's net CO_2 emissions in half by 2050 compared to 2005 levels.

One of the biggest impediments to confidence in the country's commitment to implement NextGen expeditiously is that our National Airspace System has been operating without an updated program and funding authority (a FAA Reauthorization Bill) for nearly four years. This unprecedented delay in modernizing the statutes that govern the oversight and operation of the most complex aviation authority in the world has had numerous deleterious effects. New starts are prohibited. Programs are not anchored to long-term financial authority. And new concepts and technologies such as unmanned aircraft systems are held back while other nations march forward.

AIA RECOMMENDATIONS

Like our national defense, funding for the safety and efficiency of our nation's aviation infrastructure should never be shortchanged. The safe and fiscally sensible course of action is to accelerate, not delay, the implementation of NextGen. By doing so, we invigorate the economy, generate jobs, save fuel, reduce CO_2 emissions and, most importantly, improve system safety. To do this most effectively, AIA recommends that:

- The Transportation Department swiftly review and implement the 23 recommendations of the Future of Aviation Advisory Committee;
- Congress pass a multi-year FAA Reauthorization Bill as soon as possible; and
- Congress ensure NextGen implementation stays on schedule by fully funding FAA's capital and RE&D accounts