

**Before the Committee on Small Business  
United States House of Representatives**

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**The FAA's Impact on Small Business  
in the General Aviation Industry**

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**Statement of  
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**Representing the Aircraft Owners and Pilots Association**

**February 5, 2014**



Chairman Graves and Members of the Committee:

I am Austin Heffernan, Owner and General Manager, Royal Aircraft Services.

Royal Aircraft Services is a highly regarded FAA Certified Repair Station located in Hagerstown Maryland. Our staff of 14 employees handles major structural repairs, aircraft painting, aircraft restoration and general maintenance for General Aviation aircraft owners based throughout the Mid-Atlantic United States.

I'm also representing the Aircraft Owners and Pilots Association (AOPA) of which I have been a member of since 2002. AOPA is a not-for-profit individual membership organization representing nearly 400,000 members. AOPA's mission is to effectively represent the interests of its members as aircraft owners and pilots concerning the economy, safety, utility, and popularity of flight in general aviation (GA) aircraft.

My testimony today will cover the following key points:

1. General aviation is a heavily regulated industry;
2. Rapidly changing technology offers new safety and operational benefits, but regulations have not kept pace with technological advancements, preventing general aviation from receiving these benefits; and
3. FAA policies and internal structures are increasing the cost of participation in general aviation without providing commensurate safety benefits.

### General Aviation

As pilots flying in the United States, we are fortunate to have access to the safest and most efficient air transportation system in the world. The aviation network of 5,200 public-use airports, complemented by the more than 13,000 privately owned landing facilities is a unique national resource. General aviation is a significant economic engine that contributes approximately \$150 billion to the annual gross domestic product and approximately 1.2 million jobs in communities nationwide. Each year, 170 million passengers fly using personal aviation, the equivalent of one of the nation's major airlines.

General aviation is of special importance to small businesses and an estimated 65% of all general aviation flights are conducted for business and public services. Additionally, the Small Business Administration has estimated that approximately 94% of the firms that provide cargo and passenger air transportation services are considered small businesses, as are 90% of businesses involved in the development and manufacture of aircraft and parts.

In addition to these businesses, general aviation activity directly supports thousands of small businesses from flight schools to repair shops to line operations. Thousands more small businesses of every type use general aviation to transport personnel, move products, extend their geographical reach, meet clients, provide support services, and manage distant operations.

### **FAA's Regulatory Oversight**

#### **General Aviation is Heavily Regulated**

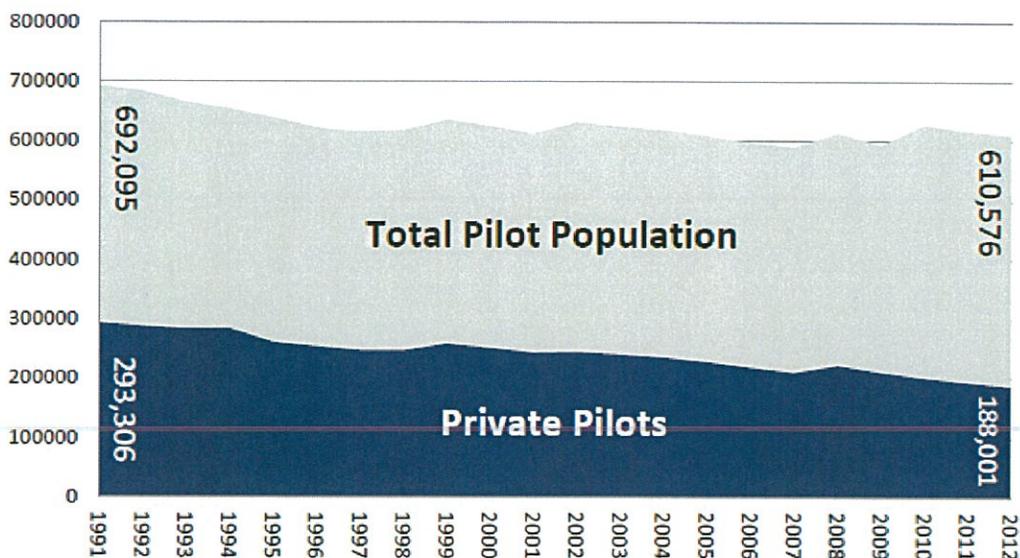
The FAA oversees all aspects of general aviation, including recreational, private, business, and commercial flying. Pilot training, medical certification, aircraft certification and maintenance, operations in the National Airspace System, and many other aspects of utilizing aircraft and operating aviation businesses are regulated directly or indirectly by the FAA. These regulations have evolved over time into a complex and intertwined legal morass that often limits or slows the adoption of new safety enhancing technologies and practices.

The FAA routinely finds its hands tied by existing regulations when it wants to encourage the adoption of newer technologies and practices that could enhance safety. In many instances, the regulations have evolved in a way that forces the FAA to go well beyond its role as regulator and become directly involved with the operational aspects of the industry.

#### **Impacts on the General Aviation Industry**

While the amount of regulation increases, the general aviation industry shows many indications of decline and stagnation. Since 1991, the industry has seen a steady decline in the total number of pilots, with the greatest decrease in the number of private pilots – a loss of nearly 6,000 per year. These private pilots are the main market for many of the on-airport small businesses that make up the general aviation industry. Businesses providing flight training, aircraft rental and repair, engine overhauls, fuel, and other products and services are impacted by this decline.

### Estimated Active Airman Certificates Held



Source: [FAA Aviation Data & Statistics](#)

### Regulations Prevent General Aviation from Benefitting from New Technology

Current regulations, policies, and procedures make it difficult or impossible for general aviation to adopt and implement new technology. The following examples are representative of the types of challenges facing general aviation operators who want to use new safety technologies.

#### Technology in Flight Training - Use of Flight Simulation

Pilots and flight training providers have benefited greatly from advancements in simulation technology. Simulators give pilots a realistic experience of a wide range of flight conditions in a way that is far safer, more efficient, and more cost-effective than attempting to provide equivalent training while airborne.

While commercial and corporate aviation have had access to simulation for many years, affordable simulators have become available to most general aviation training providers only in the past decade or so. The FAA has been challenged to keep up with the advances in this area and has struggled to provide consistent, effective, and flexible oversight.

In January, the FAA issued a new policy in an attempt to update and standardize its patchwork of existing guidance, letters of authorization, and advisory circulars. Rather than promoting the use of this proven technology, the new policy actually reduces the amount of time a simulator can be used in some types of flight training until regulatory changes can be made. Industry has asked

the FAA to rescind the new policy statement, initiate expedited rulemaking to allow a higher number of simulator hours to be credited, and then reissue its current guidance and standards.

### Aircraft Certification Reform - Technology in New Aircraft

Just last week, the FAA Administrator and his senior staff met with the leaders of the major general aviation associations to discuss safety and the need to bring new technology into general aviation. Today's prescriptive and outdated rules inhibit innovation and are the major barrier to developing and producing safer aircraft. AOPA has long advocated streamlining the aircraft certification process and we are encouraged that a major FAA-industry effort is underway to reform the aircraft certification regulations (Part 23) so as to increase safety while decreasing cost. AOPA is actively engaged in this process.

In November, these efforts got a boost when the Small Airplane Revitalization Act was passed by Congress and signed into law by the President. I'd like to thank Chairman Graves and Small Business Committee Members Hanna, Heulskamp, and Collins for cosponsoring that bill.

### Existing Aircraft Must Also Benefit from New Technology

While streamlining certification for new aircraft is important, reform efforts must be expanded to ensure that owners of existing aircraft can make safety improvements. The current FAA regulatory structure makes putting new technology into older aircraft challenging at best and prohibitive at worst. This issue was at the center of the industry-led portion of last month's safety discussions with the Administrator.

There are approximately 200,000 GA aircraft flying, and manufacturers produce just over 1,000 new aircraft each year. These numbers clearly indicate that the biggest safety payoffs will come from upgrading older airplanes. Making it easier to upgrade aircraft will have another payoff as well—creating well-paying jobs for those who design, manufacture, and install the new equipment.

The Part 23 Reorganization Aviation Rulemaking Committee has provided recommendations for changes to other regulations, such as Parts 21 and 43, and existing policies and procedures to improve the ability to modify, maintain, and upgrade existing aircraft. Industry would like the opportunity to work with the FAA to prioritize these areas and help develop changes that can enable and encourage the addition of safety enhancements, equipment upgrades, and new operational equipment for existing aircraft.

## Moving Forward on One Safety Improvement

The FAA has indicated that, after nearly three years of work, it will soon release a new policy that is intended to streamline the approval of angle of attack indicators for existing aircraft. The angle of attack indicator is an important safety technology that could help reduce the number of accidents caused by loss of control—the leading cause of GA accidents. To date, retrofit of this technology has been hampered by the cost and complexity of the equipment—factors driven in large part by FAA regulations.

We look forward to reviewing the new policy and we're hopeful that it will serve as a model for bringing other non-required safety enhancements into general aviation more quickly and efficiently.

## **FAA policies and Internal Structures that are Increasing the Cost of Participation in the General Aviation Industry**

### Medical Certification for Private and Recreational Transportation

The FAA third-class medical certificate is primarily used by pilots who want to fly recreationally or for private transportation. The cost and regulatory process associated with obtaining and renewing the medical certificate, and the fear of being denied and sent through the bureaucratic hoops and extensive testing required to get it back, are contributing to the precipitous decline in number of private pilots.

A petition, presented by AOPA and EAA (Experimental Aircraft Association), seeks to reduce the cost and hassle of the FAA medical certification process while maintaining and potentially increasing safety through education. The petition would expand the FAA's existing driver's license medical standard to more aircraft and operations than currently allowed. That standard, which allows pilots who also hold a valid driver's license to certify their own fitness to fly, already exists for pilots flying under Sport Pilot rules and has been proven safe. The proposal would expand that privilege to pilots flying certain small piston-powered aircraft under specific conditions and would add a level of safety by requiring pilots to take recurring training on how to effectively determine their fitness to fly.

AOPA and EAA conservatively estimated that giving pilots the option to use a driver's license standard instead of a third-class medical for certain operations would save pilots \$241 million over 10 years while saving the government \$11 million over the same period. Granting the petition would keep pilots flying and therefore supporting the small businesses at their local airports.

More than 16,000 comments were filed on the petition, and they were overwhelmingly favorable, but almost two years after the petition was filed, the FAA has not provided a formal response.

On December 11, 2013, Chairman Graves and fellow AOPA member Congressman Todd Rokita, both members of the House General Aviation Caucus, introduced the General Aviation Pilot Protection Act. The legislation goes a step beyond the AOPA-EAA petition. It would allow pilots to use the driver's license medical standard for noncommercial VFR flights in aircraft weighing up to 6,000 pounds with no more than six seats.

### FAA Unable to Provide Approvals Required by Regulations

The current regulatory system requires the FAA to issue approvals, in the form of Air Agency Certificates, to many areas of general aviation operations. In some cases, these approvals are required before businesses can begin operating. Air Agency Certificates are required for charter/on demand operations (Part 135), flight schools (Part 141), training centers (Part 142), and repair stations (Part 145). In many of these areas of responsibility and in many parts of the country, FAA backlogs in issuing these certificates are significantly hindering the ability of small businesses to operate.

At the October 30, 2013 Aviation Subcommittee hearing on Certification Reform, the assistant inspector general for aviation audits for the Department of Transportation reported that the FAA has a current backlog of 1,029 air agency certificate applications. Of that backlog, 138 applications have been awaiting approval for more than three years and one has been stalled since 2006.

Industry is willing to work with the FAA to find a way to address these delays and to move forward with granting these approvals. It is troubling that the FAA implements these requirements by regulation but cannot provide the resources when operators are ready to demonstrate compliance.

### Conclusion

In conclusion, we believe there are a number of steps the FAA can take to address the overregulation of general aviation while maintaining or increasing safety. Additionally, these changes will increase participation in general aviation, benefit small businesses, increase employment, and promote economic growth.

1. Congress should continue to urge decision makers to consider changing the policies, guidance, and regulations in ways that will encourage and advance the use of modern technology in all aspects of aviation, especially the installation of technology in existing aircraft.

2. Congress should urge decision makers to focus attention on resolving the internal issues that are preventing and delaying issuance of required FAA approvals, thereby preventing many small businesses from starting or expanding.
3. We appreciate Congress' recent passage of the Small Aircraft Revitalization Act directing the FAA to streamline aircraft certification. This will have a significant impact on deploying new and improved safety technologies to general aviation aircraft. We look forward to Congress taking action on the General Aviation Pilot Protection Act, which if passed, would reduce the regulatory burden and cost on general aviation and encourage people to fly.

Aviation is American. It started here in this country and we need to maintain our leadership in this area. We need to find ways to encourage and grow this amazing industry and we appreciate your support. On behalf of the 14 employees of Royal Aircraft Services and the nearly 400,000 members of AOPA, thank you for your leadership in addressing the concerns of the general aviation industry so that it can continue to help small businesses nationwide grow and thrive.

Thank you for the opportunity to appear before this Committee.