



**Opening Statement of Chairman Sam Graves  
House Committee on Small Business  
Hearing: “The FAA Impact on Small Businesses in the General Aviation Industry”  
February 5, 2014**

Good Afternoon. The hearing will come to order.

Today, we will examine the general aviation industry, and in particular, how the regulatory environment for small businesses in the general aviation industry is inhibiting growth and, in some cases, threatening the solvency of small operations. General aviation is undoubtedly a small business issue -- the SBA estimates that almost 95% of all businesses providing air transport services are small.

The industry consists of about 223,000 aircraft in the U.S. carrying 166 million passengers to 5,000 public airports in the U.S., many of which have no scheduled commercial air service.

According to the National Air Transportation Association, more than two-thirds of these 25 million flight hours per year are for businesses purposes.

In addition to the large volume of its flights, the industry is a huge economic driver. If you take into account both operations and manufacturing, general aviation employs about 1.2 million people and contributes approximately \$150 billion to the overall GDP. In 2012 alone, general aviation manufacturers generated \$4.8 billion in exports of domestically manufactured aircraft. There is no question that the general aviation industry is a significant part of our national economy.

Despite the industry’s contributions to the economy, general aviation is facing economic challenges.

In recent years, rising fuel costs and a decline in the number of pilots in the United States, coupled with a drop off in airplane production has left the industry vulnerable. Given this, it is critical that the needs of small operators are understood by those who are regulating the industry. Unfortunately, this is not the case.

Many in the industry see the Federal Aviation Administration as out-of-touch, and the Agency’s inefficiency and arbitrary decision making is a real problem for small operators. Whether it is the delays in the medical or aircraft certification process, the inability of the FAA to implement new technologies to enhance safety, or the inconsistencies in airworthiness standards from region to region, small general aviation businesses are negatively affected.

We are fortunate to have with us a group of small businesses in the general aviation industry, and I look forward to learning first-hand how the FAA's regulatory regime is affecting their operations. With that, I would like to thank our distinguished panel of witnesses for being here today and I now recognize Ranking Member Velazquez for her opening statement.