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October 3, 2007

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SWAPA Position on FAA Reauthorization

Where We Are Today

- The House of Representatives approved its version of FAA Reauthorization Act of 2007 (H.R. 2881) by a vote of 267-151 on Thursday, September 20.
- The Senate has completed committee consideration of its version of the legislation (S. 1300) with the Commerce and Finance Committees reporting their respective portions of S. 1300 to the Senate floor. There is no indication yet on when the Senate will begin floor consideration of S. 1300.
- Once Senate action is completed, the two versions of the bill will have to be reconciled through a House-Senate conference committee. Once the conference committee stage is completed, the final product (conference report) should be adopted by both chambers and eventually signed into law by the President.
- Current law expired on September 30, 2007. The House and the Senate are expected to pass a 90-day extension of current law. This would give Congress additional time to complete its work on FAA Reauthorization. SWAPA is urging Congress to pass reauthorization without delay.

ATC Modernization & Funding

- ATC modernization in this bill should go a long way to increase the capacity and efficiency of the ATC system and reduce flight delays.
- Both the Senate and House bills provide additional funding for FAA to continue planning and begin work on a massive, long-term ATC modernization program. Right now, the Senate bill would generate roughly \$400 million more per year than what the current tax system produces, while the House bill would generate about \$250 million more per year.
- Under both bills, the extra funding is generated mainly through an increase in general aviation fuel taxes, especially on corporate general aviation jet fuel. Corporate jets are the fastest growing segment of the aviation industry and major driver of airspace congestion.

- However, the increase barely moves the needle towards establishing a user-based, equitable funding formula for paying aviation taxes. Corporate jets currently consume about 16 percent of ATC services and contribute only about 6 percent of total federal tax revenues, which are deposited into the Airports and Airways Trust Fund. In contrast, commercial airlines and their passengers pay over 90 percent of total Trust Fund revenues, but consume about 67 percent of ATC services.
- The two bills extend aviation taxes for four years (until September 30, 2011).
- Unrelated to ATC modernization, H.R. 2881 includes an increase in the maximum Passenger Facility Charge (PFC), from \$4.50 to \$7 per passenger enplanement – a 55.6 percent increase that could generate up to \$2.2 billion per year for airport projects. The Senate does not increase PFC taxes on passengers. SWAPA supports the Senate position.

Customer Service

- Both H.R. 2881 and S. 1300 include provisions addressing customer service, including new standards for airlines in handling extended on-board flight delays.
- The DOT Inspector General issued a report and recommendations that airlines could take to minimize on-board delays. These recommendations will be taken into consideration as Congress works with all interested parties to develop balanced and effective Customer Service Standards.
- One provision in the House bill requires airlines and airports to have Emergency Contingency Plans – separate and apart from an airline’s Customer Service Commitment – in place to take care of passengers who are involved in long flight and tarmac delays. These plans must provide food, water, clean restrooms and medical care for passengers. The plans must be updated by the airlines every three years and every five years by airports.
- The Senate bill has a similar provision, but it is less prescriptive.
- One of the best ways to improve airline customer service is for FAA to proceed with the development of its new satellite-based, ATC system that will increase the overall capacity and efficiency of the system and reduce flight delays system wide and particularly at those airports situated within congested airspace.

Age 60

- Both the House and Senate bills include language to allow commercial pilots to fly until age 65, ending the 47-year-old FAA Age 60 Rule.
- Southwest Airlines has worked side by side with SWAPA, taking a leading role in advancing legislative and regulatory changes needed to allow our most experienced pilots to keep flying until age 65.
- It is critical that these reforms be passed as soon as possible. Five to eight veteran pilots a day are still forced into retirement each day despite the fact that the FAA has decided it will change the rule and over 350 members of the House and Senate have cosponsored bills to end the Age 60 Rule now.