The View from Washington

BY RIC PERI
VICE PRESIDENT, AEA GOVERNMENT & INDUSTRY AFFAIRS

Transportation Funding Priorities For FY 2006

This month's View continues last month's discussion about the current status of the FAA funding and what can be expected in future years.

During the month of August, your elected Representatives are home in their district meeting with their constituents. Now is an ideal time to share your thoughts about FAA funding for 2006 with your elected official. You can see from the report that your local Flight Standards District Office and the hardships they have been facing are barely on their radar screen when it comes to funding for 2006.

The following are excerpts from the document "VIEWS AND ESTIMATES OF THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE FOR FY 2006" published by the Committee on Transportation and Infrastructure, U.S. House of Representatives.

Overview

The Committee considers the Administration's surface transportation funding proposal of $284 billion for FYs 2004 through 2009 to be an adequate point at which to resume deliberations on surface transportation reauthorization legislation. However, the Committee is extremely disappointed in the Administration's funding proposal for aviation programs. Under the President's Budget, aviation capital programs would receive $5.448 billion, $1.2 billion or 18 percent less than the level guaranteed by Vision 100. This reduction will only serve to accelerate the impending crisis of congestion and delays in our nation's aviation system.

Aviation

Since airline deregulation in 1978, air travel has become an essential form of transportation for much of the nation. The annual number of commercial air travelers grew to 698 million in 2000, a 124 percent increase from the 312 million travelers in 1980.

This unprecedented usage pushed our nation's air traffic control system and overcrowded airports to the brink of gridlock in 2000, when one in every four commercial flights was delayed, cancelled, or diverted. The slowing economy and the terrorist attacks of September 11, 2001, subsequently caused the number of travelers to decline, but this has proven to be a temporary reprieve. Passenger traffic rebounded strongly in 2004 due to lower airfares resulting from the growth in low cost carriers, increases in airline seat capacity, and the improving national economy. The FAA's aviation forecast (published in March 2005) shows passenger traffic surpassing the 2000 levels by 2005, and exceeding one billion by 2015. Absent further improvements in aviation system capacity and efficiency, delays will quickly return to the unbearable levels experienced in 2000.

FAA Facilities & Equipment

Increased capital investment in our air traffic control system is necessary to increase system capacity and avoid aviation gridlock. Investments in our air traffic control system are funded by the FAA's Facilities & Equipment (F&E) program.

The FY 2006 President's Budget requests $2.45 billion for F&E, a 3 percent reduction from the FY 2005 enacted level of $2.52 billion, and a 14 percent reduction from the FY 2004 enacted level of $2.86 billion. These funding levels are significantly lower than the authorization levels the Administration requested for this program just two years ago. In 2003, the Administration's FAA reauthorization proposal requested $2.97 billion for F&E in FY 2005, $3.03 billion in FY 2006, and $3.1 billion in FY 2007. These proposed authorization levels generally conformed to the FAA's National Airspace System Capital Investment Plan (CIP) for FYs 2004-2008. According to this CIP, the F&E program needs an average annual funding level of $3 billion over the FY 2004-2008 time period.

The Administration's current CIP proposes average annual funding of roughly $2.4 billion. The impact of going from a $3 billion per year F&E program to a $2.4 billion per year F&E program is that FAA has had to focus on sustaining current infrastructure, rather than enhancing the system and providing new capabilities. Compared to what it would have invested at the $3 billion annual program level, the FAA now plans to invest approximately 53 percent less from FYs 2005-2009 on capital investments that provide new services, and about 14 percent less on capital investments that either refresh or sustain existing facilities and equip-

ment. This funding reduction will delay project schedules, increase project costs, and defer needed maintenance and repair of aging facilities.

The FAA's air traffic control facilities are aging and deteriorating. For example, the average condition of the FAA's 21 en route centers currently is rated "poor" and is getting worse each year. The maintenance and repair backlog for these 21 facilities alone is approximately $118 million. Overall, the FAA's Air Traffic Organization has over $30 billion worth of facilities and equipment that are used to operate the air traffic control system. According to the FAA, approximately two-thirds of this $30 billion in assets are already beyond their useful life.

The Committee considers the Administration's proposal to cut funding for the F&E program to be extremely shortsighted. To ensure that our nation's air traffic control system remains safe, reliable and efficient, and is ready to accommodate the significantly increased number of passengers anticipated in the near future, the Committee recommends the F&E program be funded at least at the $3.053 billion level guaranteed by Vision 100. This guaranteed funding level is based on the Administration's own FAA reauthorization proposal, transmitted to Congress just two years ago.

Airport Improvement Program (AIP)

Increased investment in our airport infrastructure is also necessary to maintain a safe and efficient aviation system. A comprehensive assessment of airport capital needs was made based on a 2002 survey of U.S. airports conducted by an airport trade association. The survey estimates total airport capital development costs—including the cost of non-AIP-eligible projects—to be about $15 billion per year from 2002 through 2006. This compares to the average annual capital funding available to airports (from 12 airport bonds, grants, Passenger Facility Charges, etc.) of about $12 billion, resulting in an annual investment gap of $3 billion.

This investment gap does not include the cost of terminal modification projects that are needed to integrate the new explosives detection systems (EDS) into airport baggage systems. In-line installation of EDS will be necessary in the long run for reasons of throughput rate, screener productivity, airport lobby space, and passenger security and convenience. An airport trade association estimates that such terminal modifications will cost a total of about $4 to $5 billion. Through FY 2005, roughly $1.3 billion in Federal funds have been dedicated to these terminal modification costs. The FY 2006 President's Budget for the Transportation Security Administration requests an additional $250 million for such terminal modifications. This leaves a remaining need of at least $2.5 to $3.5 billion over the next several years that must be added to the $3 billion annual investment gap that already existed pre-9/11. If this funding is not provided by TSA, then it will have to be provided by other airport funding sources (other than AIP), thereby crowding out airport spending on capacity enhancement projects.

Despite these significant, unfunded airport investment needs, the President's Budget proposes just $3.0 billion for AIP in FY 2006, $472 million or 14 percent less than the FY 2005 enacted level, and $600 million or 17 percent below the $3.6 billion level guaranteed by Vision 100. Under the current statutory formula, an AIP funding level of $3.0 billion would result in a 50 percent reduction to airport entitlement funds. The President's Budget proposes to change the statutory formula such that the average airport entitlement would decrease by approximately 9 percent. To allow the AIP program to begin to address the investment gap in airport safety and capacity needs, the Committee recommends that AIP be funded at the authorized level of $3.6 billion in FY 2006.

FAA Operations and Maintenance

The Committee also recommends the FAA Operations and Maintenance account be funded at least at the President's request of $8.2 billion. This increased funding is necessary to maintain current operations, as well as hire additional air traffic controllers, safety inspectors, and maintenance technicians.

FAA Reform

The Committee recognizes that greater efforts must be made to ensure that scarce resources are used as effectively as possible. Toward that end, the Committee included in past FAA reauthorization bills several management reforms that were intended to improve the FAA's performance, especially with regard to the acquisition and distribution of air traffic control equipment and services. These reforms included the establishment of a Chief Operating Officer position responsible for day-to-day operations of an Air Traffic Services Performance Based Organization, and creation of an Air Traffic Services Committee to oversee the FAA's management of the air traffic control system. In Vision 100, the Committee redefined the role of the Chief Operating Officer and made other modifications to the structure of the FAA so these reforms will work as intended and ensure the FAA meets its mission to provide a safe and efficient air traffic control system.

The Committee is pleased that last year, after almost a decade of Congressional efforts to improve performance and reduce costs, the FAA formally established the performance-based Air Traffic Organization (ATO)

Continued on following page

VIEW FROM WASHINGTON

Continued from page 17

to provide air traffic control services. The ATO began operations in March 2004. The Committee intends to conduct oversight of this organization and consider additional reforms as necessary.

Small Community Air Service Development

The weak financial condition of the major airlines has exacerbated a problem that has been a concern since airline deregulation—lack of service to small communities. The benefits of airline deregulation have been significant, but they have not been evenly distributed. In certain small- and medium-sized communities, the lack of competition among airlines has resulted in significantly higher fares. In many instances, the airline fares in these communities are so high that businesses are choosing to relocate to areas with more affordable airfares. Section 203 of AIR 21 addressed this problem by establishing a pilot program to help underserved communities develop public-private partnerships to promote service to their communities. Demand for this program has far exceeded the funding available. When this program received its initial funding of $20 million in FY 2002, the Department of Transportation (DOT) received 180 applications totaling over $142.5 million from communities in 47 states. The program has continued to receive $20 million in each of FYs 2003 through 2005, and was reauthorized and made permanent by Vision 100. However, the Administration requests no funds for this program in FY 2006. The Committee recommends this program be continued in FY 2006 at the authorized level of $35 million.

Essential Air Service

The financial condition of the airlines, higher fuel costs, and increased regulatory costs have also increased demands on the Essential Air Service (EAS) program. Since September 11, 2001, carriers have notified DOT of their intent to discontinue service to 38 subsidy-eligible EAS communities. The EAS program received $102 million in FY 2005. The FY 2006 Budget proposes to cut funding for this program in half, to $50 million. The Committee opposes both this funding cut and the accompanying legislative proposal to impose up to a 50 percent local cost-share requirement.

Under the Administration's EAS proposal, assuming all communities agree to pay their required local cost-share (from 10 to 50 percent, depending on distance from the nearest airport), and service levels remain constant, more than one-third of the 146 communities currently receiving EAS funding would be dropped from the program. The $50 million funding level proposed by the Administration is clearly insufficient to meet EAS communities' needs. The Committee recommends EAS be funded in FY 2006 at the authorized level of $127 million.

This report provides you with an oversight of the current thinking from Congress about funding the FAA during 2006. While there is plenty of discussion about the funding with regards to commercial air operations, there is no discussion about the support of your business, the general aviation avionics shop. It is essential that this element of FAA public service be raised to your representatives.

I also encourage you to share this article with your employees, customers, and other individuals and businesses at your airport that rely on adequate funding of the local FAA office to support their business so that they too can share their thoughts with their representatives.

This is not to minimize the need for the FAA to better utilize their current funding. The Agency can go a long way to better manage their resources. And a management plan to realign their staffing should be considered essential. However, under the current staffing structure, the FAA does not have the funds to transfer personnel from overstaffed offices to understaffed offices. As the FAA restructures, the Agency must be allowed to realign their resources as they downsize to meet their current funding-driven staffing levels.

I encourage you to contact your local Representative (their local office is listed in the phone book), attend the public meetings and express your concerns. It's your business and your livelihood, share your concerns with your Representative.

Regulatory Update

United States

Advisory Circular 23.1311-1B, Installation of Electronic Display in Part 23 Airplanes

The Federal Aviation Administration (FAA), has issued a notice of issuance of advisory circular for AC 23.1311-1B. This AC sets forth acceptable methods of compliance with the provisions of 14 CFR part 23 applicable to installing electronic displays in part 23 airplanes.

The Advisory Circular 23.1311-1B was issued by the Acting Manager of the Small Airplane Directorate on June 14, 2005. The AC is available at http:/www.faa.gov/aircraft/ under the "Regulations & Policies'' tab.

Advisory Circular on Standard Airworthiness Compliance Checklists for Part 23 Projects

The FAA has issued a notice of availability and request for comments on their proposed advisory circular, AC 23-25.

This proposed advisory circular provides a standard compliance checklist for Title 14 of the Code of Federal Regulations (14 CFR) part 23 Type Certificate, Amended Type Certificate, and Supplemental Type Certificate projects. This checklist shows the typical methods of compliance with the regulations and provides a cross-reference to other related guidance material. The checklists created using the information in this AC complement the guidance in the Guides for Certification of Part 23 Airplanes (ACs 23-8B, 23-16A, 23-17B, and 23-19) and other more project specific guidance. This checklist is a starting place when applying for certification. This AC describes an acceptable means, but not the only means, of compliance with 14 CFR part 23. The material in this AC is neither mandatory nor regulatory in nature and does not constitute a regulation.

Comments should be sent by August 22, 2005.

Copies of the proposed advisory circular, AC 23-25, are available on the web by selecting the Regulatory Guidance Library (RGL) link at http://www.faa.gov/certification/aircraft and then selecting the Draft Advisory Circulars link, or at http://www.faa.gov/aircraft/draft_docs/.

Send all comments on this proposed advisory circular to Mark S. Orr, Federal Aviation Administration, Small Airplane Directorate, Regulations & Policy, ACE-114, 901 Locust Street, Room 301, Kansas City, MO 64106; telephone: (816) 329-4151; fax: 816-329-4090; e-mail: mark.orr@faa.gov.

Availability of Changes to Advisory Circular 27-1B, Certification of Normal Category Rotorcraft, and Advisory Circular 29-2C, Certification of Transport Category Rotorcraft

In the June 21, 2005 Federal Register: (Volume 70, Number 118) the FAA issued a notice of availability of proposed Advisory Circular (AC) material and request for comments.

The FAA is proposing changes to AC 27-1B, Certification of Normal Category Rotorcraft, and AC 29-2C, Certification of Transport Category Rotorcraft. These proposed changes will revise AC paragraph 27.351 and AC paragraph 29.351B, Yawing Conditions, dated 2/12/03.

While comments were due on July 21, 2005, significant comments can be submitted late.

All comments on the proposed AC changes should be sent to the Federal Aviation Administration, Attn: Kathy Jones, ASW-111, 2601 Meacham Boulevard, Fort Worth, TX 76193-0111, telephone (817) 222-5359; fax (817) 222-5961; or e-mail: Kathy.L.Jones@faa.gov

Canada

Working Team meets to define use of Specified Data for Avionics Modifications

On June 1-2, 2005, a joint Transport Canada (TCCA) and industry team met to discuss ways to expand the use of Specified Data to installations (Major Modifications) of stand-alone avionics systems. Currently CAR STD 571.06 defines Specified Data in terms of it's "source," e.g. manufacturer Service Bulletins, AC43-13 under certain conditions, as appropriate for the purpose of major repairs and modifications. The initial efforts of the working team will be to define appropriate data that can be used to support installations of specific stand-alone avionics systems on non-Transport Category aircraft. Such systems include: com, nav, audio, CVR, Class B TAWS, TIS/TAS/TCAS1, VFR GPS, MFDs, In-flight entertainment, etc. The use of Specified Data alone will not be allowed for installation of systems which are used to control the aircraft nor for primary flight displays or sole means of navigation. TCCA plans to issue an Advisory Circular that will describe general conditions for the use of Specified Data, and Appendices for each type of system to identify the particular Specified Data that may be used for that system and additional guidance information. The next meeting of the working team will be in the fall of 2005, at which time drafts of the AC and Appendices will be presented.

Europe

EASA:

Decision 2005/05/C of the Executive Director of the agency was issued on May 23 introducing new forms for various applications to EASA. Following forms are of interest for AEA members:

- Application for Supplemental Type Certificate (EASA Form 33)
- Application for ETSOA (European Technical Standard Order Approval; EASA Form 34)
- Application for Statement of Compliance for ETSOA (EASA Form 35)
- Application for DOA (Design Organisation Approval; EASA Form 80)
- Application for Alternative Procedure to DOA (EASA Form 81)
- Application for Significant Changes to DOA (EASA Form 82)

All Forms can be downloaded from the EASA website.

Decision 2005/04/C now specifies the authority and responsibility of the Swiss Aviation Authority FOCA.

Continued on following page

REGULATORY UPDATE

Continued from page 19

The decision approves organizations under the regulatory oversight of FOCA to approve:

For STC holders:

- Minor changes to STCs
- Minor repair design related to STCs

For legal or natural persons:

- Minor changes
- Minor repair design if the organization is holder of the STC or the change or repair has been approved by FOCA in accordance with the Cyprus arrangement (EASA-JAA).

ECAC:

The Republic of Georgia became the 42nd member state of the European civil aviation conference on the April 13 2005.

EUROCAE/RTCA:

ED-100A "Interoperability Requirements for ATS Applications using ARINC622 Data Communications," which was developed by Working Group 53 under the Chairmanship of Serge Bagieu (Airbus) working jointly with RTCA SC-189, was published in April 2005. This document is an update of, and supersedes, ED-100 of July 2000. It provides the interoperability requirements standard for the implementation of the ATS applications using ARINC 622 data communication referred to as FANS-1/A systems. The main additions to the earlier document cover corrections based upon implementation feedback, introduction of the message latency functionality, clarification of Pre-formatted free text and adding of HF Data Link and Aircraft Communication and Reporting System (ACARS) over Aviation VHF Link Control.

ED-105 "Aircraft Lightning Test Methods," which was developed by Working Group 31 under the Chairmanship of Jean-Patrick Moreau (Dassault Aviation), was published in April 2005. Identical to the SAE document ARP-5416, it was prepared in cooperation with SAE Committee AE-2. This document describes how to conduct lightning direct effects tests and indirect system upset effects tests, and presents test techniques for simulated lightning testing of aircraft and the associated systems.

ED-14E "Environmental Conditions and Test Procedures For Airborne Equipment." which was developed by Working Group 14 under the Chairmanship of Marc Ponçon (Eurocopter), working jointly with RTCA SC-135, was published in March 2005. This document, now fully electronically distributed, is an update of, and supersedes, ED-14D of July 1997. It includes major revisions to Sections 4 (Temperature), 8 (Vibrations), 18 (Audio Frequency Susceptibility), 20 (RF Susceptibility) and 22 (Lightning Induced Transient Susceptibility) and a new Section 26 (Fire, Flammability). ❑