

FROM THE HILL

Legislative and Political Report

NGAT\$: Who Will Pay?

Airlines push for more equitable arrangement among airspace users.

The Aviation Subcommittee of the U.S. House Committee on Transportation and Infrastructure held a hearing in September to consider additional sources of funding for operating the U.S. air transportation system. Lawmakers heard from witnesses involved in aviation policymaking and representing both the government and the aviation industry.

At issue was how the FAA will pay to upgrade the current ATC system from an antiquated and costly radar-based system to a more efficient and effective space-based system. The FAA has been considering charging fees based on specific use of ATC services.

Planning for the Next Generation Air Transportation System (NGATS) is already under way at the Joint Planning and Development Office, but determining just how much it will cost to modernize the National Airspace System has been difficult. Nevertheless, everyone seems to agree that current sources of funding fall significantly short of providing the means necessary to fully fund the initiative.

The current funding mechanism for the Aviation Trust Fund, which pays for improvements to air navigational facilities and airports through excise taxes on airline tickets and other fees, will expire in less than a year, on Sept. 30, 2007.

The airline industry, general aviation, and business jet operators have been jockeying for position to ensure that they have a seat at the table when the time comes to decide exactly how airspace users will be charged and

how much it will cost their constituents. Airline ticket prices have depressed in recent years, so overall revenue generated from ticket taxes is lower as well—which means less money available to the FAA to make necessary improvements.

Indeed, talk of user fees has generated heated discussion in the past, but with a rather large bill looming on the horizon, the idea is getting serious consideration from the FAA, airline industry executives, and some politicians.

"The way that the United States funds air traffic control is unique among the world's nations," says ALPA's president, Capt. Duane Woerth. "Virtually everywhere but in this country, ATC is viewed as a set of services provided to aircraft operators, for which it makes sense to charge fees to the operator of the aircraft. The United States is the sole remaining developed country not charging users directly for ATC services."



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In early 2006, the Air Transport Association came out with its recommendations for implementing a fee-based system for airspace users. The ATA says that the FAA spends about \$2 billion of its \$14 billion annual budget on preserving the current ATC system. Such a budget just doesn't allow for future enhancements that will be needed to accommodate the

kind of growth in aviation that analysts are expecting in the decades to come.

Airlines currently pay the majority of fees that support the current ATC system. But according to the Air Transport Association, while airlines contributed 94 percent of the funding in 2004, airlines' use of air traffic services accounted for only about 70 percent of the total. The Air Transport Association would like to see the FAA establish a more equitable funding arrangement, which would require operators of business and turbine-powered general aviation aircraft to pick up their share of the tab. In 2004, these operators paid only about 4 percent of trust-fund revenues, but their use of ATC services accounted for approximately 15 percent.

"Solving the funding issues that plague the U.S. air transportation system will require cooperation and innovation by all the elements of avia-

tion," says Woerth. "Technological advancements have made it possible for us to make important and necessary changes to the way we operate within the National Airspace System. Unfortunately, how quickly we are able to make that transition will depend largely on the availability of financial resources." —Gavin Francis, Staff Writer

Rulemaking Committee Considers Change to Age 60 Rule

Capt. Woerth appointed Committee co-chair.

In late September, the FAA announced the formation of an Aviation Rulemaking Committee (ARC) to examine the agency's long-standing rule that restricts airline pilots from flying as captains or first officers past age 60 in Part 121 air carrier operations. Specifically, FAA Administrator Marion Blakey asked the ARC to recommend whether the FAA should adopt a new standard created by the International Civil Aviation Organization (ICAO) that will allow an airline pilot to fly until age 65 if the other flightcrew member is younger than 60.

Capt. Duane Woerth, ALPA's president, was appointed ARC co-chairman along with James May, Air Transport Association president. The 14-member advisory panel, composed of representatives from airline managements, labor, and aviation medicine, was given 60 days to complete the tasking.

Under current international standards, foreign airline pilots under the age of 65 may fly into the United States as first officers. When the new standard—adopted by ICAO in March—goes into effect on November 23, the rule will also apply to foreign captains, if they undergo medical testing every 6 months and are accompanied by another pilot under 60 years of age.

Some members of Congress would like to extend those same privileges to U.S. airline pilots. The substitute amend-

ment to S.65 offered by Sen. Conrad Burns (R-Mont.) directing the FAA to adopt the ICAO standard was inserted and made part of the Senate transportation appropriations bill that the full Senate Appropriations Committee approved in mid-July. This legislation will be addressed during a November post-election session or at the beginning of the 110th Congress in January 2007.

Those in favor of changing the rule argue that the additional income from working past age 60 would offset some of the recent losses that airline pilots have seen in pay and retirement benefits. Airlines, such as Southwest and

Over the years, the FAA has resisted numerous attempts to change the rule, insisting that any change to the regulation must provide for at least an equivalent level of safety.

JetBlue, as well as some pilots hit hard by airline bankruptcies, have been lobbying in support of the legislation. But other groups, including ALPA, feel that it is inappropriate for Congress to dictate unproven safety standards to the FAA, particularly by trying to legislate on an appropriations bill.

"The FAA considers the Age 60 rule to be a safety regulation first and foremost," says Woerth. "The FAA has testified that medical science has not yet developed a regimen of reliable tests that can be administered effectively to determine which aging pilots will become incapacitated, or whose performance will decline to an unacceptable level. ALPA representatives on the ARC will take all steps necessary to ensure that pilot perspectives and safety considerations are included in any possible rule change implementation."

Indeed, the FAA has always maintained that the reason for originally implementing the Age 60 rule in 1959 was to ensure the safety of the traveling public. In the rule's preamble,

FAA Administrator Elwood Quesada stated that "establishment of a maximum age of 60 for pilots utilized by air carriers in air carrier operations is necessary for safety in air commerce and is in the public interest." Over the years, the FAA has resisted numerous attempts to change the rule, insisting that any change to the regulation must provide for at least an equivalent level of safety.

The FAA does grant operational-specifications approval to foreign carriers to permit pilots over age 60 to fly into the United States, but the agency does not maintain any data as to the

number of such foreign pilots they allow under those specifications. But according to the International Federation of Air Line Pilots Associations, of those international airlines whose national regulations allow flying past age 60, fewer than 75 pilots fly into the United States under the special specifications.

ALPA has long supported the rule in its current form. When ALPA polled its members on the issue in 2005, a majority of those participating upheld ALPA's long-standing position. In any case, the current FAA regulation will already be in compliance on November 23 because the new standard does not require contracting states to allow pilots to fly beyond age 60, it merely permits states to do so.

"ALPA plays an important role as an airline safety advocate," says Woerth. "In that role, ALPA representatives on the Committee will work hard to make sure that the Age 60 regulation is considered on the basis of sound science and safety analysis."

—Gavin Francis, Staff Writer