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Operations, Safety and Security  
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***Remarks as prepared for delivery***

Good afternoon, Chairman Dorgan, Ranking Member DeMint, and other distinguished members of the committee. I'm very pleased to have the opportunity to testify before you once again. I represent the Aerospace Industries Association and our almost 300 member companies. In this economy its important to point out that our industry is responsible for more than 2 million well-paying jobs and \$95 billion in exports last year, leading to a positive foreign trade balance of \$57 billion – the largest of any U.S. manufacturing sector.

As you know, the civil aviation sector is going through a very difficult time. Commercial carriers continue to take capacity out of the system due to depressed demand. Consequently, commercial aircraft backlogs – once stretching out many years – are shrinking.

Manufacturers of general aviation aircraft have been particularly hard hit both by the economy and unintended consequences from the fallout of the negative effects of public anger at the behavior of executives in another industry.

Airlines will eventually recover with a strong return of demand and an overall economic recovery will get general aviation plants churning again. But the sustained growth of commercial and general aviation does not depend simply on a return to national economic prosperity.

What is needed is a national airspace system that will accommodate new demand and economic growth. As you all know, that new system is NextGen. Nothing is more important to the future of global air travel than building and implementing the Next Generation Air Transportation System.

We have a unique opportunity to take advantage of our economic situation to build a much-needed world class air transportation system. We should use FAA reauthorization and this administration's commitment to recapitalize our nation's transportation infrastructure as an opportunity to accelerate NextGen and help the users of the new system take full advantage of NextGen's benefits.

This Administration is right to invest recovery act funds into infrastructure – but, we missed an excellent opportunity to use some of that money to improve aviation infrastructure with “shovel ready” improvements to our fifty-year-old air traffic control system.

President Obama has done a masterful job of selecting the right officials to move us forward. Secretary LaHood has hit the ground running and has let this industry know that the administration is committed to NextGen. We look forward to continued support from Secretary LaHood and from Randy Babbitt, the FAA Administrator Nominee.

There are a number of significant challenges ahead. NextGen is comprised of three broad components: ground infrastructure, air traffic procedures and aircraft equipment, all of which work together to deliver maximum benefits.

ADS-B is a success story thus far – but, we must redouble our focus on data communications SWIM – system-wide-information management. Second, we must ensure that we build and use Performance-Based Navigation procedures at every airport currently capable of accommodating instrument flight rules traffic. And finally, what many have called the “long pole in the tent,” equip aircraft in the system.

For these three critical factors to move implementation forward, we need to establish a solid funding regime through long-term FAA authorization and an increase in the annual General Fund contribution.

While the recent omnibus bill increased the allocation of the General Fund to the FAA from 18 to 24.6 percent, that was done to pay the bills and make up for decreasing trust fund levels. We believe that a General Fund contribution of well above 25 percent is needed until NextGen is fully implemented.

And if industry and government fail to fully commit not just to build NextGen, but to accelerate its implementation – we risk ceding the “gold standard” in aerospace technology development and deployment to the EU, Australia or Canada.

Before closing, I want to address language in the House Reauthorization Bill on foreign repair stations. Industry is committed to safety and security at repair stations around the world, and as a global industry, we depend on an international network of safe, secure stations to repair and maintain aircraft.

We believe that the proposed language could undermine the exact safety systems we are constantly improving – while damaging the FAA’s leadership around the world and violating long-standing safety agreements. I hope that the committee takes a very close look at the ramifications of the language as it now stands.

Thank you and I would be pleased to answer any questions from the committee.