FAA Reauthorization – Key GAMA Provisions

At a time when aviation safety is front and center, the Federal Aviation Administration (FAA) Reauthorization bill will help strengthen the FAA and facilitate the aviation sector's future path towards increasing levels of safety and innovation. GAMA has advocated for provisions that address FAA's rulemaking and certification processes, aviation workforce, international effectiveness, innovation, and sustainability policy.

The leaders of both the House and Senate Committees responsible for FAA Reauthorization released a comprehensive agreement on April 29, 2024. Our core message for Hill Day is for Congress to adopt this compromise quickly and send to President Biden for his signature before the current authorization expires on May 10th. The bicameral agreement contains many provisions which GAMA supports and has advocated for throughout the process. Highlights include:

Authorization of Funding
The proposal is a five-year reauthorization for both FAA and the National Transportation Safety Board, underscoring the importance of aviation safety. It authorizes more than $105 billion in appropriations for FAA from Fiscal Year 2024 through Fiscal Year 2028, providing important stability.

FAA Regulatory Oversight
The agreement establishes a new Assistant Administrator for Rulemaking and Regulatory Improvement who is responsible for FAA Rulemaking. It also establishes a process review team to provide the Administrator with recommendations to improve the promulgation of regulatory materials.

FAA's International Effectiveness
The measure establishes the statutory foundation for FAA's international activities, including technical assistance to civil aviation authorities, adoption of U.S. standards and policies, maintaining a regulatory environment that supports safe travel, and support for U.S. manufacturers validating products overseas and managing bilateral agreements with foreign countries.

It also requires that the FAA establish a strategic plan for international engagement which includes the establishment of metrics to measure the effectiveness of and compliance with BASAs. The strategic plan must also include provisions to facilitate the acceptance, certification, and validation of powered-lift aircraft.

Aviation Workforce: FAA and Industry
The proposal establishes a new aviation manufacturing workforce development program to support the education and recruitment of aviation manufacturing technical workers and aerospace engineers. It authorizes funding for this component, as well as for aviation maintenance and aircraft pilot components, at $20 million each per year, increases the award amount limit, and prioritizes funding for underrepresented participants.

It also establishes that FAA's telework policy be based on job functions, duties, and level of management, to ensure they are consistent with FAA's mission. It ensures telework

policies cannot inhibit site visits, inspections, in-person collaboration, on-the-job training, and operations of the NAS. Finally, it requires telework status and duty station to be considered when determining pay rates.

Cybersecurity
The agreement specifies that the FAA is responsible for prescribing regulations and minimum standards for cybersecurity in air commerce. It further provides that the FAA in consultation with other agencies, shall have the exclusive rulemaking authority to prescribe regulations for purposes of assuring the cybersecurity of aircraft, including unmanned aircraft systems, aircraft engines, propellers, appliances, and other related components.

Delivery of Clearance to Pilots via Internet Protocol
The proposal requires the FAA to establish a pilot program to determine the feasibility of using technology for mobile clearance for general aviation operators at airports that do not have towered data link services. The FAA must designate five eligible airports, in consultation with relevant stakeholders, for participation in the airport pilot program. Furthermore, the FAA must submit a report to Congress on the safety, security, and operational performance of the mobile clearance delivery technology and provide recommendations to improve the program.

Electric Aircraft Infrastructure Pilot Program
It establishes a five-year pilot program allowing up to 10 eligible airports to acquire, install, and operate charging equipment for electric aircraft and to construct or modify related infrastructure to support such equipment.

EAGLE Initiative
The proposal requires the FAA to continue to partner with industry and other Federal government stakeholders to carry out the Eliminate Aviation Gasoline Lead Emissions Initiative (EAGLE Initiative) through the end of 2030.

Rules for Operation of Powered-lift Aircraft
The agreement requires the FAA to publish a special final rule for the operations of, and pilot requirements for, powered-lift aircraft within seven months and applies specific requirements and considerations to such rulemaking. If the FAA fails to publish such special final rule within 16 months, specific existing operating and training rules shall apply to powered-lift aircraft until such time as the FAA publishes a special final rule.

Next Generation Radio Altimeters
The proposal directs the FAA, in coordination with the National Telecommunications and Information Administration (NTIA), Federal Communications Commission (FCC) and aviation and commercial wireless industries to establish an accelerated research and development program to inform standards and technology developing and testing needed to ensure appropriate FAA certification actions and industry production to meet installation requirements for next generation radio altimeters in necessary aircraft by 2028.

Sustainability
The measure expands research at the FAA Center of Excellence for Alternative Jet Fuels and Environment (ASCENT) to promote safety and sustainability, supports research on

advanced materials to increase fuel efficiency and make aircraft lighter, and bolsters efforts to integrate AAM and UAS into the national airspace system.

Manufacturing and Aviation Safety

In the wake of the Alaska Airlines incident, and other recent events, there has been increased congressional, NTSB, and public interest in the manufacturing production process and FAA oversight in this critical area. Topic areas have included manufacturer quality systems, the effectiveness of FAA oversight of production facilities, and the role of ODA's in FAA's oversight of production facilities. We believe Hill Day will provide an opportunity to further understanding of the production process and FAA's safety and oversight systems and explain GAMA companies' commitment to safety and continuous improvement.

- Safety is the top priority for my company and the general aviation industry. *(Please cite an example(s) of efforts taken to ensure safety in the manufacturing process or with new product).*

- We believe that the overall robustness and effectiveness of the certification and production process is strong.

- GAMA supported the Aircraft Certification, Safety, and Accountability Act (ACSAA) and there has been significant progress in implementing several ACSAA reforms in certification process, delegation, and safety management systems.

- GAMA members believe that there must be a continuous commitment and drive to improve safety. We stand ready to work with FAA to identify what is needed for improvement.

- Congress can help address these challenges by passing the bipartisan, bicameral FAA Reauthorization agreement bill which contains critical improvements: improving the performance of FAA in issuing safety standards and materials, enhanced workforce development training for the FAA safety workforce and industry, implementation of safety management systems for manufacturers, and a risk-based approach to production inspections. GAMA has been active supporters of all these initiatives.

- We are also strong proponents of completing the FY25 appropriations bill in a timely manner and making the investments necessary to support FAA safety oversight.

- Please use GAMA as a resource if you have questions or need more information. If you have a facility in their state or district, and feel comfortable doing so, invite them to come to the facility and learn firsthand about the rigor and effort to ensure safety.

Fiscal Year 2025 FAA Appropriations

In meetings with members, especially those serving on the Senate and House Appropriations Committees, we encourage you to highlight GAMA's priorities that can be advanced in the Fiscal Year 2025 Budget process. These requests are focused on:

- The FAA's FY25 budget requests $365.7M for Aircraft Certification Service (AIR), including international validation activities. GAMA supports this funding level at a minimum, and if we discover upon additional review that it is not sufficient, we will express our support for additional funding to help FAA tackle its workload.

- If FAA funding is cut, the certification of safety-enhancing technologies will be impacted, and U.S. manufacturing jobs will be threatened as well as U.S. leadership in aviation. AIR activities are critical to ensuring safety oversight and FAA certification of commercial and general aviation products and technologies including advanced air mobility.

- The importance of fully funding for AIR's certification and international validation activities cannot be overstated. During meetings, we encourage you to provide examples of the certification issues your company is facing and articulate the need for full funding.

- In addition to full funding for certification activities, GAMA has requested $10M for a manufacturing component to the Section 625 Workforce Development Grant Program. This funding would complement existing initiatives focused on pilots and maintenance technicians and assure that there is a skilled and competent workforce to meet the current and future needs of the aviation sector.

- Other GAMA priorities in the appropriations process include the FAA's CLEEN, ASCENT, and unleaded avgas efforts. The budget request for the CLEEN and ASCENT programs are equal to their FY24 funding levels, and these funds will continue advancing efforts to reduce aviation's impact on the environment through technology improvements and greater SAF use. The unleaded avgas R&D efforts are funded in the Alternative Fuels for General Aviation budget line and the FY25 request is $8.41M.

Tax Issues of Importance for GA Manufacturers

In some meetings, it may be relevant to raise tax issues which are of interest to general aviation manufacturers and their ability to drive innovation and competitiveness. This includes:

Research and Development Expensing
For nearly 70 years, the tax code has supported innovation by allowing companies to deduct R&D expenses in the year incurred. However, with passage of the Tax Cuts and Jobs Act (P.L. 115-97) in 2017, the tax treatment of R&D expenses dramatically changed in 2022 with companies now required to amortize these expenses over several years.

The House of Representatives passed legislation in January (H.R. 7024, Tax Relief for American Families and Workers Act, approved by a broad bipartisan vote of 357-70) that would delay until after 2025, when taxpayers must begin deducting their domestic research or experimental costs over time.

In meetings with House members, especially those on House Ways and Means Committee, thank them for their action. This bill is now pending in the Senate, where further action is uncertain.

During meetings with Senate offices, please urge support for quick Senate action on H.R. 7024. If possible, cite examples of the benefits of immediate R&D expensing and how amortizing these expenses may jeopardize U.S. jobs and our global leadership in innovation**.**

Administration Fiscal Year 2025 Budget Proposals
The Biden Administration's FY25 budget includes two tax proposals that impact business and general aviation. The first would raise taxes over a 5-year period beginning in 2025 on kerosene used for private jet travel, from the current 21.8 cents per gallon to $1.06 per gallon. In the first year, the jet fuel tax would increase from 21.8 cents per gallon to 38.64 cents with a 16.84 cent per gallon increase in each subsequent year until 2029.

The second proposal would increase the recovery period for depreciating general aviation passenger aircraft from five years to seven years and would be effective for property placed in service beginning in 2025.

GAMA joined a diverse coalition of aviation and labor organizations in sending a letter (linked HERE) opposing these proposals to the leadership of the House Ways and Means and Senate Finance Committees.

While we think it is highly unlikely that these proposals will be adopted this Congress, if asked, please state your opposition to these proposals as harmful to an industry that supports 1.2M jobs and contributes nearly $247B to the nation's gross domestic product. GAMA is always happy to discuss ways to support and improve the aviation system, but disagree with this proposal which simply targets our industry.