

**Statement of Rick Hale
President and CEO, Winner Aviation**

**U.S. House Ways and Means Committee
Subcommittee on Select Revenue Measures**

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Chairman Neal, Ranking Member English and members of the Subcommittee, good afternoon. This is the first time I've testified before a Congressional Subcommittee, and it is a privilege to be before you today.

My name is Rick Hale, and I'm a businessman specializing in aviation services from Sharon, Pennsylvania. I'm here on behalf of the National Business Aviation Association. I'm the president and CEO of Winner Aviation, a family-owned business located just over the Pennsylvania border in Vienna, Ohio.

Our 57 full-time employees and eight part-time employees provide a variety of services to the commercial and general aviation community. I guess you could say I wear several hats, so I understand the industry from a number of angles.

For example, our company has a turboprop aircraft that we use for customer charter flights. It's a King Air, similar to the model I have here. It's about the size of a large SUV inside, so it seats several people. It travels a few hundred miles per flight, and takes our customers into and out of small community airports in remote locations.

Because our clients use general aviation to expand their business *outside of* Youngstown, their companies are able to remain *in* Northeastern Ohio and Western Pennsylvania. That's important at a time when our part of the country is losing businesses and the jobs they provide at an alarming rate.

Since our local area has very little commercial airline service, Winner Aviation also operates a Fixed Base Operation, or "FBO", to handle general aviation aircraft. Our FBO staff help customers with aircraft fueling, de-icing, and handling.

Our company also handles cargo, facilitates life flights moves federal prisoners and provides other services.

We also do a lot of maintenance. We specialize in heavy turbine engine repair, heavy structural maintenance, modifications and repairs, and avionics installation and repairs. It's the kind of work that keeps high-skilled technicians in the local community. Most of our maintenance people were educated at the Pittsburgh Institute of Aeronautics, which now has a location in Youngstown.

So basically, Mr. Chairman, I represent a small business that operates, handles and does maintenance work on piston, turboprop and turbofan aircraft. As I've mentioned, these aircraft are critical to the survival of my company and the companies we serve. My story is a typical one – every Member of this Subcommittee has businesses in their state with a story like mine.

You don't often hear about companies like Winner Aviation when people talk about business aviation. Instead, people tend to focus on large Fortune 500 companies. That's unfortunate, since the business aviation community is made up mostly of small and mid-size businesses like mine.

I know that you wanted me to be here today to talk not only about the benefits of business aviation, but also about funding for modernizing our nation's aviation system.

The main point I'd like to leave you with today is this: The general aviation community supports aviation system modernization, and is ready to help pay for it.

But to do that, general aviation operators want to pay at the pump through fuel taxes – *not* through user fees or new taxes.

The fuel tax is an easy and effective way to pay for use of the system. Taxes are paid when the aircraft is fueled up. Companies using larger aircraft pay more than those with small aircraft, because bigger planes burn more fuel. Best of all, there's no paperwork, collection agents, or bureaucracy involved.

Now, I'm a businessman from northeastern Ohio, so I don't know the specifics of the various proposals under consideration. But, the proposal crafted by your colleagues on the House Transportation and Infrastructure Committee for funding the FAA and modernizing the system seems to be the only solution.

As I understand it, this proposal – H.R. 2881 – would provide additional money from general aviation for FAA funding and aviation system modernization. At the same time, it would let operators keep paying at the pump.

It makes no sense to me why user fees, or some other untested funding formula, should take the place of the simple payment method general aviation already uses.

Business aircraft operators have experience with user fees. Consider the example of Mr. Jim Martin, the president of Martin's Pastry Shoppe, another NBAA Member in Chambersburg, Pennsylvania.

He flies turboprop and piston aircraft to support his business, and he sometimes flies into Canadian airspace. That means he comes into contact with NavCanada, that country's user fee bureaucracy.

When Jim learned that I would be here today, he sent me a letter, which I've included with my written statement. It says:

"We operate two turboprops and two piston aircraft for our 'Martin's Famous Potato Roll' business pursuits. We have had experience with user fees in Canada, and they are awful. The bills are usually wrong and take two to three trips through our accounting department, and NavCanada's accounting department, to settle. We spend a great deal of administrative time and costs to process the bills. When you testify before the House Subcommittee this week, please ask Members to reject this approach to funding for the FAA."

Unfortunately, Mr. Martin's experience will become all too familiar if user fees are adopted in the U.S. Our ultra-efficient fuel tax system will be replaced by a huge new bureaucracy of billing agents, collection agents, auditors, dispute arbitrators, and others. Staggering administrative costs for business aircraft operators will become a fact of life.

Why would anyone want to put such a significant administrative burden on Martin's Pastry Shoppe, or thousands of other businesses that rely on general aviation? Our small businesses often operate on narrow profit margins to be competitive, and we strive to avoid red tape and inefficiencies. User fees will open the door to those very challenges.

I respectfully request that Congress oppose user fees, or any other measures that would effectively take money from businesses in the general aviation community and give it to another segment of the industry as a tax break.

Mr. Chairman, I'll conclude by repeating what I said earlier: If Congress needs additional revenue for aviation system modernization, the general aviation community, including business aviation, is prepared to contribute. But, please allow general aviation operators to contribute solely through the fuel tax.

It has been an honor to speak before you today. Those of us in business aviation want to work with Congress on approaches to modernization that benefit all aviation segments.

Again, thank you, and I'll be happy to take any of your questions regarding my business.

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