



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

AOPA Statement before the Pennsylvania House Transportation Committee Hearing – March 11, 2008

Greg Pecoraro, Vice President, Regional Affairs
Erin Wright, Eastern Regional Representative
Joey Colleran, Manager, State Legislative Affairs

Good morning Mr. Chairman and members of the Committee:

Thank you for allowing us to testify on behalf of the Aircraft Owners and Pilots Association. Our organization represents nearly 14,000 pilots in Pennsylvania alone and over 415,000 in the country including more than 13,600 in Pennsylvania. It is the largest, most influential aviation association in the world.

We are pleased to be here today to testify in support of the repeal of Pennsylvania's sales taxes on aviation, including aircraft sales, repairs, maintenance, and parts. While many others appearing today will discuss the effect this will have on Pennsylvania's aviation industry and economy, we would like to focus on the effect such an action would have on pilots and aircraft owners.

Pennsylvania's sales tax is 6%. While new airplanes can certainly be very expensive, a little research would show you that this is not the case with the aircraft being purchased by most of our members. The value of an average aircraft purchased by one of our members, a single engine or light twin, is about \$150,000. The tax on this amount in Pennsylvania would add about \$9,000 to the cost of buying a plane. Annual maintenance costs average about \$1500, which would be increased by \$900 in taxes.

But this additional cost does not only impact private aircraft owners. It also adds to the cost of flight lessons for those who wish to learn to fly, or receive more advanced training. It also impacts pilots who cannot afford their own aircraft, but must rely on their ability to rent a plane on weekends or holidays at their local airport.

AOPA surveys its members frequently, and they tell us one of the biggest barriers to them flying is the high cost of getting into the air. Many of the costs associated with flying continue to rise, especially fuel prices, and Congress is preparing to raise the federal taxes on fuels, as well as other fees the charge pilots and owners. Our members will continue to be squeezed into spending less time in the air with each additional cost.

One of our primary missions as an organization is to keep flying accessible and affordable across the country. We have been talking with the aviation community in Pennsylvania, and are happy to support their efforts to eliminate the state's sales tax on aircraft sales, repairs, maintenance, and parts. It is our belief the aviation sales tax exemption would lead to more activity at local airports and an increase in business operations, which in turn would create a positive and competitive advantage for Pennsylvania in the mid-Atlantic region.

Thank you for your time and consideration.



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

AOPA Statement before the Pennsylvania House Transportation Committee Hearing – March 11, 2008

Greg Pecoraro, Vice President, Regional Affairs
Erin Wright, Eastern Regional Representative
Joey Colleran, Manager, State Legislative Affairs

Good morning Mr. Chairman and members of the Committee:

Thank you for allowing us to testify on behalf of the Aircraft Owners and Pilots Association. Our organization represents nearly 14,000 pilots in Pennsylvania alone and over 415,000 in the country including more than 13,600 in Pennsylvania. It is the largest, most influential aviation association in the world.

We are pleased to be here today to testify in support of the repeal of Pennsylvania's sales taxes on aviation, including aircraft sales, repairs, maintenance, and parts. While many others appearing today will discuss the effect this will have on Pennsylvania's aviation industry and economy, we would like to focus on the effect such an action would have on pilots and aircraft owners.

Pennsylvania's sales tax is 6%. While new airplanes can certainly be very expensive, a little research would show you that this is not the case with the aircraft being purchased by most of our members. The value of an average aircraft purchased by one of our members, a single engine or light twin, is about \$150,000. The tax on this amount in Pennsylvania would add about \$9,000 to the cost of buying a plane. Annual maintenance costs average about \$1500, which would be increased by \$900 in taxes.

But this additional cost does not only impact private aircraft owners. It also adds to the cost of flight lessons for those who wish to learn to fly, or receive more advanced training. It also impacts pilots who cannot afford their own aircraft, but must rely on their ability to rent a plane on weekends or holidays at their local airport.

AOPA surveys its members frequently, and they tell us one of the biggest barriers to them flying is the high cost of getting into the air. Many of the costs associated with flying continue to rise, especially fuel prices, and Congress is preparing to raise the federal taxes on fuels, as well as other fees the charge pilots and owners. Our members will continue to be squeezed into spending less time in the air with each additional cost.

One of our primary missions as an organization is to keep flying accessible and affordable across the country. We have been talking with the aviation community in Pennsylvania, and are happy to support their efforts to eliminate the state's sales tax on aircraft sales, repairs, maintenance, and parts. It is our belief the aviation sales tax exemption would lead to more activity at local airports and an increase in business operations, which in turn would create a positive and competitive advantage for Pennsylvania in the mid-Atlantic region.

Thank you for your time and consideration.



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

AOPA Statement before the Pennsylvania House Transportation Committee Hearing – March 11, 2008

Greg Pecoraro, Vice President, Regional Affairs
Erin Wright, Eastern Regional Representative
Joey Colleran, Manager, State Legislative Affairs

Good morning Mr. Chairman and members of the Committee:

Thank you for allowing us to testify on behalf of the Aircraft Owners and Pilots Association (AOPA), the world's largest aviation association representing more than 415,000 members including more than 13,600 in Pennsylvania. We are here to express our opposition to House Bill 2292.

GA AIRCRAFT ARE NOT A SIGNIFICANT THREAT

The typical general aviation aircraft weighs less fully loaded than a Honda Civic weighs empty. The first attempt to bring down the World Trade Center and the successful attack on the federal building in Oklahoma City both used trucks. Yet it is aircraft and their pilots that are targeted in this proposed legislation.

Make no mistake. AOPA believes that securing one's aircraft using at least one method is a good idea, but mandating it is not necessary.

GA AIRCRAFT ARE NOT EASILY STOLEN

An aircraft is a high-value item. Even a simple, 30-year-old aircraft can be worth \$40,000 or more. Owners take reasonable precautions to protect that investment; a recent survey of AOPA members shows that 91% secure their aircraft from theft or unauthorized use. At the same time, these members are adamantly opposed to government mandates requiring them to do so.

Historically, in the years since 9/11 only about nine general aviation aircraft a year are stolen, and the number of GA aircraft stolen is down sharply since the general aviation community has taken steps to enhance security. *Only three aircraft were stolen in 2007: this out of a nationwide fleet of over 220,000 registered GA aircraft.*

SECURITY: A PRIORITY FOR THE FEDERAL GOVERNMENT AND THE AVIATION COMMUNITY

Security at general aviation (non-airline, non-military) airports is a complex issue. While operations at airports with airline service are similar enough for the government to impose one-size-fits-all security requirements, general aviation airports are too varied for any single solution to work.

The federal government uses a multi-layered approach to aviation security. It's much more than fences, gates, and locks. It begins when a person first decides to learn to fly. You have to prove your nationality, and if you're not a U.S. citizen you have to undergo a background check. And everyone who holds a U.S. pilot certificate, whether they are a foreign national or a U.S. citizen, is checked against all available terrorist watch lists.

For general aviation airports, the U.S. Transportation Security Administration (TSA) has provided guidelines scaleable to fit the needs of everything from the smallest grass airstrips to executive airports serving business jets. A key component of those guidelines is the Airport Watch program, developed by AOPA in close collaboration with the TSA. It is essentially a neighborhood watch program for airports that draws on the eyes and ears of America's 600,000 pilots as well as airport employees. In fact, Airport Watch's message to pilots is, "Lock Up. Look Out."

Aviation security is the business of everyone who flies. But it is the jurisdiction of the federal government. Pennsylvania's proposed Two Lock Rule with its criminal penalties makes no more sense than jailing a mom with arms full of groceries who forgets to lock her car on the way into the house.

Thank you for your time and consideration.