



David F. Melcher
President and Chief Executive Officer

January 21, 2016

The Honorable Bill Shuster, Chairman
House Committee on Transportation & Infrastructure
2165 Rayburn, Washington, D.C. 20515

The Honorable Peter DeFazio, Ranking Member
House Committee on Transportation & Infrastructure
2163 Rayburn, Washington, D.C. 20515

The Honorable Frank LoBiondo, Chairman
Aviation Subcommittee
2251 Rayburn, Washington, D.C. 20515

The Honorable Rick Larsen, Ranking Member
Aviation Subcommittee
H2-592 Ford, Washington, D.C. 20515

Dear Chairman Shuster, Ranking Member DeFazio, Subcommittee Chairman LoBiondo and Subcommittee Ranking Member Larsen:

As developers and manufacturers of advanced air traffic management (ATM) solutions, AIA's member companies are the primary source for the technologies that underpin capital investment programs at the Federal Aviation Administration (FAA). These important programs include not only the routine upgrade and support of today's buildings, facilities and equipment, but also implement transformational technologies such as air traffic automation, satellite based navigation and surveillance capabilities, modern data link communications, and improved weather prediction. These programs are the building blocks that will provide a much-needed leap in the capacity and efficiency of our ATM infrastructure. These latter programs are collectively referred to as the FAA's portfolio of Next Generation Air Transportation System programs or NextGen.

Compared to other FAA investments, these NextGen programs represent greater risk and larger payoffs as they involve the development of cutting-edge capabilities to expand the long-term capacity, efficiency and safety of our air transportation system. In fiscal year 2016, NextGen represents 30 percent of FAA's Facilities and Equipment appropriation, and 5 percent of the agency's overall appropriation. In essence, NextGen represents the FAA's implementation of advanced technologies and concepts to accommodate rising aviation demand.

We understand your Committee will soon take up legislation to reauthorize the FAA, and that this bill may propose structural changes to the FAA's Air Traffic Organization. While offering some promise for long-term benefits, AIA believes that significant structural reform will pose both complex challenges and a prolonged transition period with a potential to negatively impact NextGen programs just as they are starting to deliver real results.

An efficient and expanding air transportation system is a key enabler to economic growth. In addition, the systems and technologies developed under NextGen programs promote ongoing global leadership for the U.S. and its manufacturing industry. Inevitable delays associated with any organizational transition and uncertainty in the ongoing commitment to invest in system modernization create risks that will extend well beyond our aviation system.

As the process unfolds this year, we look forward to working with the committee to ensure that the legislation protects the trajectory and pace of NextGen now and into the future while maintaining a balanced portfolio of both short-term and long-term technological investments. At a minimum, AIA urges the committee to include language authorizing funds for NextGen at FY16 or higher levels for the timeframe covered by the authorization. This would be wholly consistent with the Committee's strong annual support for funding NextGen initiatives.

We appreciate your hard work and support for our national airspace system, and we would be happy to brief you or your staff further on these concerns and recommendations. For further information, please contact either myself or Rich Efford, Assistant Vice President for Legislative Affairs, at (703) 358-1096.

Sincerely,

A handwritten signature in black ink, appearing to read "D. F. Melcher". The signature is fluid and cursive, with a large initial "D" and "M".

David F. Melcher
President and Chief Executive Officer
Aerospace Industries Association