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**HELICOPTER ASSOCIATION INTERNATIONAL**

**TESTIMONY ON  
FEDERAL AVIATION ADMINISTRATION  
FINANCING PROPOSAL**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON AVIATION  
UNITED STATES HOUSE OF REPRESENTATIVES**

**MARCH 21, 2007**

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Good morning Mr. Chairman, and Members of the House Aviation Subcommittee. My name is Matt Zuccaro and I am the President of the Helicopter Association International.

I am honored to appear before you today and sincerely appreciate the opportunity to address this most important topic. I respectfully request that you accept my full written testimony into the official record.

HAI is a not-for-profit, professional trade association of over 2,600 members, inclusive of 1,400 companies and organizations. Member companies include helicopter and heliport operators, manufacturers, and industry support organizations. Unlike many other trade associations, operations conducted by HAI members are not limited to one type of specific flying or purpose. HAI members operate helicopters across a wide spectrum of uses, such as on demand charter, utility services, corporate support, public service, law enforcement, emergency services, agricultural, as well as private use.

It is my sincere belief that the financing program, as proposed by the administration with regard to future funding of the FAA, will have, as a major byproduct, an extremely detrimental economic impact on our members, with a resulting constraint and / or elimination of many helicopter operations such as those I have just noted.

In simple terms we have a situation where the current funding program for the FAA has a historical profile of being fair, adequate and equitable. and can, in fact, meet the future needs of the FAA, both in terms of operational, as well as developmental with regard to the NextGen system, which HAI actively participates in and supports.

The fact that the current funding system would be adequate to finance the Next Gen initiative has been acknowledged and/or supported by numerous agencies. When queried as to whether the existing funding system could do this, the FAA Administrator responded that it was possible.

The Inspector General at the Department of Transportation indicated that as long as Congress continues to provide a General Fund contribution to the FAA, the current funding system can pay for Next Gen modernization efforts.

The General Accounting Office indicated that the new proposed funding methodology could not pay for NextGen without the FAA's ability to borrow additional funds.

All segments of the aviation community appear to be unanimous in their strong opposition to the Administration's funding proposal, save one, the scheduled airlines. Should it be any surprise, since they would reap the most financial benefit from this proposal?

It is hard to conceive how one could support a program that significantly reduces the costs, to the very segment of the aviation community, namely the airlines, that place the highest demands on the system, while dramatically increasing the costs, to other segments, such as the helicopter community, whose utilization of the system is incidental, with little or no impact. All of this is being done under the stated need to fund FAA activities, along with NextGen, whose very makeup, technology, benefits, and costs are not yet known. The icing on the cake is the fact that the actual revenue to the FAA, under the proposed funding program, will be reduced by hundreds of millions of dollars, below the level of revenue provided by the current funding system.

Consider this, currently HAI members seeking initial certification as commercial operators, or similar certification services, are being advised by their local FAA offices that they can expect to wait 18 months to 2 years for an initial appointment with an FAA representative. If this is the level of service under the current funding program, one can only imagine what it would be with the FAA reducing its revenue by several 100 million dollars, under its proposed funding program.

It is important to note that the majority of HAI members are small businessmen and women, who operate in excess of 5,100 helicopters and fly more than 2.6 million hours per year. The vast majority of these operations are conducted at heliports, private facilities and remote locations, without utilizing the services of FAA Air Traffic Control, or the need to operate to and from airports.

In fact the very nature and capabilities of the helicopter, and the prime benefit of helicopter flight, is the capability to provide direct point to point transportation, eliminating the need to operate to and from airports. This is further enhanced by such helicopter industry initiatives as privately funded, point in space, off airport, instrument approaches.

Historically the helicopter industry has had to finance its own infrastructure, without Federal funding or support, inclusive of off airport operation and maintenance bases, heliports, communications networks, instrument approach procedures, flight following and other supporting services. This is due to the fact that the missions performed, operational altitudes, and locations of operations are outside the reach of the normal FAA ATC service area and airport infrastructure.

Some examples of this are offshore operations in the Gulf of Mexico, in support of oil exploration and production, where helicopter operators have spent untold millions of dollars providing their own infrastructure, since they cannot talk to, or be seen by FAA Air Traffic Control. Similar situations can be found in hospital based EMS helicopters, that operate in remote rural areas, where they accomplish their life saving missions. Utility helicopters which provide services on behalf of the greater good, such as firefighting, aerial application, logging, power line installation and maintenance, and geological seismic services, and corporate operators serving the off airport needs of headquarters, training, production and logistical facilities, all tend to operate outside the FAA infrastructure

It should be obvious that the helicopter community places the least demand on the Air Traffic Control and airport system. In fact the helicopter community is actually assisting the FAA in solving the

problems of airport and airspace congestion, and lack of capacity, by removing from the system those passengers and missions, that would otherwise be flown in airplanes, and diverting them to off airport, non ATC environments.

With the introduction of advanced helicopter technology, and such vehicles as the Civil Tiltrotor, vertical flight vehicles will be able to provide off airport, city center to city center transportation, thereby creating new capacity at currently congested airports.

HAI and its members are supportive of the NextGen initiative, and believe the accompanying technology, such as ADS-B can provide our segment of the industry, new capabilities accompanied by an enhanced level of safety in the off airport operating environment. I will take a moment to thank the FAA Administrator for her support and leadership in this area, but at the same time must respectfully disagree with her regarding the proposed funding methodology.

When requested to support such initiatives, the helicopter community has already stepped up the plate. This can be seen by our recent partnership with the FAA in the form of a Memorandum of Agreement. This partnership will facilitate the installation of ADS-B technology, in conjunction with enhanced weather reporting and communications capabilities in the Gulf of Mexico,. As part of our commitment to assist the FAA in the first phase of implementing ADS-B into the national airspace system, HAI members have agreed to provide in kind services, valued in excess of 100 million dollars over the life of the project. These in kind services include no cost helicopter transport for FAA staff and related project personnel, to the offshore platforms where the FAA ADS-B equipment will be installed. No cost space for the equipment upon those platforms, and our commitment to equip the helicopters with the necessary avionics.

It is interesting to point out that although the helicopter industry is the only industry segment partnered with the FAA in this initiative, and providing in kind services, other segments, such as the airlines, will also reap the benefits of the new ADS-B system in the Gulf of Mexico once installed.

HAI was recently the only international trade association to sign the new Memorandum of Agreement between industry and FAA, relating to the ADS-B initiative in the state of Alaska.

With the above in mind, it would seem appropriate that the helicopter community should be the one segment of the aviation community that should have the least economic burden placed on it in terms of supporting FAA funding and development of the NextGen system.

I would be remiss if I did not acknowledge our sincere appreciation and thanks to the men and women of the FAA and Air Traffic Control System who provide us valuable assistance and a safe operating environment in which we conduct our day to day operations. It is indeed not the individuals of these agencies that are the problem, it is the proposed funding system.

With the understanding that the current funding system of the FAA is working, let us not try to replace something that has been tested and proven, with something that has no logic, is widely opposed, and will most likely just increase costs, with an unknown result in terms of efficiency, fairness and productivity.

HAI and its members stand ready to work with this committee, the FAA, and other industry stakeholders to create a funding system that will provide an appropriate, safe, efficient operating environment for all segments of the aviation community.

Thank you for your time, I will be more than happy to answer any questions you may have.