STATEMENT OF

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BEFORE

U.S. HOUSE OF REPRESENTATIVES
THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON AVIATION

HEARING ON
“AMERICA REBUILDS: THE STATE OF THE ADVANCED AIR MOBILITY INDUSTRY”

DECEMBER 3, 2025

Chairman Nehls, Ranking Member Carson, and Members of the Subcommittee on Aviation, thank you for inviting me to join you today for this hearing on advanced air mobility (AAM).

My name is Greg Pecoraro, and I am the President and CEO of the National Association of State Aviation Officials (NASAO). Founded in 1931 in the early days of aviation, NASAO represents the state government aviation agencies of all 50 states, Guam, and Puerto Rico. Our mission is to encourage and foster cooperation among the states and territories with the federal government in the development and promotion of our national aviation system in doing so we engage with our federal partners on national aviation policies on behalf of the states and in the public interest.

First, on behalf of the states, we thank you for your work to draft and pass the FAA Reauthorization Act of 2024. As you know, that legislation, which was important to the aviation industry in many ways, also began setting the stage for a safe and beneficial AAM sector. We also appreciate your good work to support the modernization of the air traffic control system, without which integration of AAM into the system would be much more problematic. NASAO is pleased to participate in the Modern Skies Coalition, which is dedicated to supporting air traffic control (ATC) modernization.

Role of State Aviation Agencies in the National Aviation System

State aviation agencies have always played an important role in managing the national aviation system. Within that network, the role of states in managing and promoting aviation as a vital access point to the entire transportation network is not as widely known as that of the Federal Aviation Administration (FAA). State aviation agencies, through NASAO, participate in several memorandums of understanding with the FAA to create cooperative efforts to manage the national aviation system. Ten states administer block grants for FAA Airport Improvement Program (AIP) grants to general aviation airports, many others act as channeling states[1] for the FAA, and most states provide funds to help meet the matching requirements for FAA AIP grants.

As states anticipate the launch of AAM, state aviation agencies are prepared to build on and evolve their traditional role as the FAA's on-the-ground partner in the national aviation system. State aviation agencies will be essential in enabling AAM operations through planning, zoning, site approval, licensing, airspace protection and funding, just as they have historically played for other aviation facilities. These responsibilities draw on local

[1] State channeling of federal airport grants occurs in various forms within numerous states. Normally, when an airport is in a channeling act state, the sponsor submits payment request information to the state, who then submits the request to the FAA. In this case, the FAA makes payments to the state, and the state then distributes the payment to the sponsor. In some cases, the state may also provide technical oversight and review, which may include state submittal of grant applications and/or closeout requests. This is based on state enabling legislation, rather than federal law. In many cases, the state also signs the grant agreements. Channeling agreements based on state enabling legislation do not need approval from the FAA Airport District Office (ADO). AIP Handbook, Chapter 2, https://www.faa.gov/airports/aip/aip_handbook/?Chapter=2

and regional expertise that federal authorities cannot replicate, underscoring why the states' role must adapt as AAM becomes a reality. The following section outlines these existing functions in more detail and how they may evolve to support the safe and seamless integration of AAM.

Planning, Zoning, Site Approval

As aviation is organized in the United States, states and local governments are responsible for aviation system planning and so will have the responsibility for planning where AAM facilities can be cited. This includes supporting local zoning decisions and land use planning to ensure that facilities are located in areas that are compatible with surrounding land uses.

There are some state aviation agencies that have exclusive authority to approve or deny all aviation facilities, including the site approval process (which encompasses both the licensing standards and zoning standards). The concept of exclusive authority for approvals by state aviation agencies assures enforceable and reasonable state-wide standards in lieu of multiple regulations that vary from community to community, and protection of airport operations to their full potential. This site approval process can vary from state to state but includes, for example, statewide airport zoning, statewide airport land use regulations, requirements for licensing and compatibility review with the ultimate goal of an aviation system coexisting with and supporting local communities.

I note that, in developing the National Plan of Integrated Airport Systems, the FAA and states together have already sited thousands of airports in and around communities that will be best able to benefit from the advent of AAM operations.

Registering and Licensing

In addition to their planning role, some states also register and license aircraft and operators. States may establish specific licensing requirements for aviation facilities, including vertiport and drone port operators, thus ensuring that they comply with both state and federal regulations to maintain consistency across the national airspace system (NAS).

Airspace Protections

The states' role in airspace protection is a similarly important, yet often misunderstood responsibility. Many states currently supplement FAA's airspace evaluation process with enforceable regulations on tall structures proposed near aviation facilities. These regulations may take the form of stringent height standards, zoning regulations, or requirements of local entities to ensure proper zoning near aviation facilities. Continued dialogue with state aviation agencies can help ensure the safe ingress and egress from facilities intended to serve the AAM community.

Funding

Many states have their own grant programs to provide financial support to airports for infrastructure development. States also fund other critical infrastructures that will be vital to AAM operations including weather data systems like the automated weather observing system (AWOS), which will provide critical real time information for AAM operations.

While the specific roles and funding mechanisms employed by states may vary depending on their governance structures and available resources, state aviation agencies will play a critical role in managing the ground infrastructure for AAM. As AAM emerges, their role will only grow more consequential. Recognizing this, state aviation agencies are taking steps now to ensure they are ready to support the industry once operations begin, including exploring ways to harmonize and develop policy, planning, and infrastructure that supports integration of AAM into the NAS.

NASAO AAM Multistate Collaborative

Much like the early days of aviation, today we are faced with the challenge of introducing an exciting new technology into our transportation system. Advanced Air Mobility has enormous potential to improve access to the aviation system for Americans in every part of the country, creating new opportunities to move people, goods, and services in and around urban centers, as well as to more remote parts of the nation. To do so, AAM needs to be safely and efficiently integrated into the existing aviation system.

A few years ago, several states in our organization came together to form an AAM Multistate Collaborative (the Collaborative), working together to think through what that integration means in practice. Now, with nearly 40 states participating, the Collaborative serves as a forum for states to share insights on state level policies and infrastructure needs that will enable AAM operations, to engage with private sector experts to learn more about their operations and develop common strategies for accommodating AAM operations at the local level.

The Collaborative recognizes that aligning policy, planning, and infrastructure is essential to providing industry clarity on how to operate and what to expect across the different states. Accordingly, the Collaborative's focus is on creating interoperability of policy and infrastructure across states so that industry can expect continuity of infrastructure and operations across the country; providing a roadmap to harmonize AAM policy across participating states; providing a strategy to develop minimum infrastructure and necessary service levels across the participating states; and providing feedback to federal partners to inform developing rules, policies, and standards to ensure they can be practically implemented on the ground.

Areas of Consensus

The first fruits of their work have been recently published as four topic papers addressing the role of the states in AAM, policy harmonization across the states, approaches to infrastructure development, and leveraging existing aviation infrastructure for use by AAM operators. These papers document a consensus on these topics formed amongst the states, incorporate industry input, and identify priority areas for continued work. More papers will be forthcoming in the next year. They have been published to solicit feedback from federal partners as well as other industry stakeholders. The following represent some key areas of general agreement among the states so far:

- Policy harmonization between states and relevant standards entities is vital for cohesive governance and successful integration of AAM. States should work alongside federal, local, tribal, territorial, and industry partners to coordinate policy frameworks, close regulatory gaps, and build infrastructure-ready environments. This could include aligning planning efforts and infrastructure priorities; creating consistent licensing, registration, and planning protocols; promoting equity, safety, and intermodal integration; and engaging communities and industry early and often.

- States recognize the FAA's preemptive role in leading the way for AAM integration through governing the use of airspace, providing airspace configuration, and providing air traffic control and separation services. State coordination with the FAA is critical to integrating vertiports into existing airports, especially when aligning with federal infrastructure requirements, leveraging funding opportunities, and supporting seamless operational transitions for AAM. At the same time, a lack of coordination risks duplicative efforts, public confusion, and regulatory conflict.

- States have a crucial role to play in defining and implementing minimum service levels for infrastructure, the threshold at which physical and digital infrastructure can effectively support safe, reliable, and scalable operations.

- General aviation airports are well positioned to support near term AAM operations. Many have the physical capacity to accommodate additional traffic, serve entire regions with significant population and needs, and are located near larger metropolitan areas, making them ideal hubs for multimodal connections and public safety or emergency operations. Others are located in rural areas, making them great locations for staging regional air mobility. They offer critical opportunities to connect rural communities by enabling AAM aircraft to transport both cargo and passengers. However, general aviation airports typically have light staffing. To safely integrate AAM, additional infrastructure investments are needed at these airports, including enhanced navigation, communications, and safety systems.

State Efforts to Prepare for AAM

Several states have already begun preparing for AAM operations. While states vary on the level of their activity based on staff capacity, funding, and leadership priorities, those actively preparing are sharing their common strategies that will help others build towards operational readiness.

States are uniquely positioned to serve as a facilitator to balance federal, state, local, industry, and public interests, while advancing policies that support all stakeholders and enable industry growth. Recognizing the need for responsible investment and coordinated implementation, many states have begun their work by commissioning studies and standing up task forces to understand AAM's potential impacts and opportunities. Texas, Washington, Florida, Georgia, Virginia, Ohio, Utah, Massachusetts, North Carolina, Alaska, Colorado, Michigan, Kansas, Minnesota, Oklahoma, Pennsylvania, Arkansas, and Maryland are among the states that have undertaken this work to identify infrastructure needs, outline the necessary next steps for preparation, and make recommendations to elected policymakers. These efforts include comprehensive assessments of their existing aviation assets be they state or local facilities, to determine where AAM activities can be supported.

Some states are publishing more comprehensive guidance documents such as compatibility considerations to advance understanding and prepare for future operations. As an example, Florida has completed numerous work products to build a foundation of knowledge within the state, such as a land use compatibility and site approval guide for local governments that provides long-range and proactive planning for AAM and vertiport site approval process for on and off airport. As another example, California has a long-standing focus on airport land-use planning driven by statutory requirements. Each airport has a Local Land Use Commission that follows state guidance. Building on this framework, California is focused now on updating its guidance to incorporate vertiports and other vertical aviation infrastructure. Georgia created a community guidebook and toolkit to help local governments, urban and rural alike, start planning for AAM as part of their broader mobility plans. Last year, North Carolina launched the first five-year Advanced Transportation Mobility Strategic Plan drawing on the work of its aviation, integrated mobility, and rail divisions to build a multimodal transportation system that incorporates advanced air and ground mobility technologies and positions the state for an advanced mobility future.

Some states are working as closely as possible with relevant federal partners such as the National Aeronautics and Space Administration (NASA), to develop resources like the *AAM Community Integration Considerations Playbook*. Some states are using or even launching test sites to evaluate AAM technologies in real world conditions which will be enormously helpful in developing operational concepts. For example, in 2019, North Dakota invested in the creation of the nation’s first statewide UAS beyond-visual-line-of-sight network, VANTIS. VANTIS allows drones to fly beyond visual-line-of-sight and provides the infrastructure and support to test large-scale UAS operations, opening the door to

innovative applications across industries. Virginia recently launched an AAM test site program to evaluate and integrate emerging aviation technologies across Virginia's transportation system. The data collected from the test site will inform future safety frameworks, business models, and sustainment strategies for its AAM ecosystem.

A few states are even investing in charging infrastructure at airports. Massachusetts is leveraging its existing airport infrastructure as the foundation for developing airports as energy hubs. One ongoing project aims to plan, permit, and complete preliminary design of smart microgrid project at the Cape Cod Gateway Airport. This microgrid will provide the airport with resilient power for critical operations, support electric bus charging, and offer the local community more reliable and cost-effective transportation options. Michigan is funding the installation of multimodal charges at four of its airports to create a foundational intrastate charging network to support eVTOL aircraft. Many other states have created AAM advisory bodies or assigned staff to focus on AAM activities. For example, Texas has an AAM Advisory Committee which allows members of the industry to share their expertise with policymakers and state leaders, and continued collaboration will ensure state and industry work together on critical issues.

Priority Issues for State Aviation Agencies

Looking forward, the prospect of widespread AAM integration into aviation creates the opportunity to rethink transportation. As aerial point to point transportation for people, goods and services becomes a reality we will need to think about daily transportation in three dimensions. What will that mean for the rest of the transportation network as well as the economy? And what will it mean for how we finance the system?

Strengthen Federal-State Collaboration

While the states recognize that the FAA must and will take the primary role in managing the aviation system, AAM promises an extensive expansion of aviation activity across the country and will require even more support from state and local governments. To ensure the safest and most effective integration, it is critical that state aviation agencies be full partners in the planning and policy development process. States seek, in partnership with the FAA, to extend current collaborative processes to AAM, clarifying grey areas and providing the ability to manage local equities. Therefore, NASAO urges the FAA to establish a formal working group consisting of senior FAA officials and the states to collaboratively rethink how we modernize our aviation system to accommodate these new operations. States are on the ground, they understand their communities, infrastructure constraints, and what is operationally feasible. A collaborative federal-state approach will ensure that national policies align with local realities. We also urge Congress to encourage and support the FAA in deepening this partnership with states, as doing so will be essential to successful integration.

Provide Clear Planning and Infrastructure Guidance and Standards

To that end, we urge the FAA to work closely with the states in this endeavor, which would include establishing standards for planning and infrastructure requirements, such as charging station standards, which will ensure interoperability in charging across multiple aircraft types, as well as sensor and communication requirements. States must be able to rely on national standards for infrastructure before investing in facilities or equipment that may face long-term interoperability challenges. We ask Congress to maintain regular oversight of the FAA to develop clear standards.

It is important to also note that recent original equipment manufacturer (OEM) insolvencies and the absence of an FAA-certified aircraft are causing state aviation agencies to take a measured approach until the first aircraft is certified. Without a certified aircraft in the market, it remains challenging for states to engage local stakeholders in meaningful planning discussions. State aviation agencies are focusing on what they can in the near term while manufacturers work through the certification process.

Further Invest in General Aviation Airport Infrastructure

Congress, along with state and local governments, has invested billions of dollars in our nation's airport infrastructure. NASAO is grateful for the recent increase in overall AIP funding levels, including increasing the apportionment for general aviation airports to 20 percent, in the FAA Reauthorization Act of 2024. As we look toward the initial phases of AAM deployment, we should leverage those existing aviation assets. General aviation airports remain some of the most underutilized components of our system and have the capacity, unlike the large commercial service airports, to support early AAM operations.

But realizing this potential will require additional investment. As with the rest of the nation's aviation infrastructure program, additional funding at the federal level beyond current AIP funding will be needed to support planning and infrastructure development required for AAM. Providing electricity to general aviation airports to support electric and hybrid electric aircraft will be costly, involving not only transmission and distribution upgrades but also new equipment. In addition, the deployment of new communication systems and navigational aids may be required to safely operate these aircraft.

Currently, general aviation, reliever, and nonprimary commercial service airports receive up to $150,000 annually through the Nonprimary Entitlement Program (NPE), far below what is needed for critical safety projects, such as pavement work, which often begins at $1 million. Airports routinely must carry over several years of NPE funds just to accumulate enough for projects. NASAO recommends increasing the maximum annual amount these airports receive from the NPE program. Additional funding would not only help maintain safety but also allow airports to begin planning now for AAM. In the long term, we will need to assess the infrastructure requirements and investments to accommodate AAM, grant

assurance implications, appropriate aeronautical uses, and equitable and market-based fees for new types of participants.

At the same time, states recognize that Congress cannot just keep appropriating more funding far beyond the resources of the Airport and Airway Trust Fund. To ensure sustainable funding for services and infrastructure, states are ready to work collectively with Congress, the FAA, local, tribal, and territorial governments, and industry to develop a long-term sustainable operational funding model that distributes costs equitably. The Collaborative has already begun considering this issue, and the states will be integral to this conversation.

A Coordinated Approach to Public Awareness is Needed

Public awareness and acceptance of AAM activities will be critical to the success of this new mode of aerial transportation if it is to fulfill its potential. The drone sightings last year in the skies over New Jersey illustrate how a low information environment about emerging technologies can lead to misunderstandings and public anxiety. While industry and state and local governments have a role to play in this educational process, the federal government must lead in sharing information and building public trust in this new technology. We encourage Congress to support the U.S. Department of Transportation (USDOT) and FAA activities in launching a broad and aggressive public awareness campaign on the value and opportunities created by AAM, as well as encourage USDOT and the FAA to partner with state and local governments in this endeavor.

FAA Reauthorization Act of 2024 Implementation

Finally, we note that this Committee has already done considerable work in this area as part of the FAA Reauthorization Act of 2024. As part of your regular oversight activities, we encourage you in particular to monitor a few key provisions such as:

- Section 745, Electric Aircraft Infrastructure Pilot Program: This section establishes a five-year pilot program, which would allow up to 10 airports to invest and install electric charging equipment. This program is an important first step to implementing the necessary electrical charging infrastructure for AAM. NASAO urges Congress to ensure FAA fully implements this program in a timely manner, providing clear guidance to airports.

- Section 912, Drone Infrastructure Inspection Grant (DIIG) Program: This section establishes a grant for state, tribal, and local governments to purchase and use drones for critical infrastructure projects. NASAO urges Congress to appropriate full funding of $12 million annually for the grant program and ensure its timely launch. This program will support state, local, and tribal governments' efforts to capitalize on the benefits of leveraging drone technology.

- Section 913, Drone Education and Workforce Training Grant Program: This section establishes a grant program for educational institutions for small drone workforce training. NASAO urges Congress to appropriate full funding of $5 million annually for the grant program and ensure its timely launch. This workforce development initiative is critical to delivering the training necessary and building the skilled workforce needed for this emerging technology.

- Section 316, Weather Reporting Systems Study: This section directs GAO to study ways to improve procurement, functionality, and sustainability of weather reporting systems, including automated surface observation system (ASOS), automated weather observing systems (AWOS), visual weather observing, and non-federal weather reporting systems. The ASOS[2] (jointly managed program by the National Weather Service (NWS), FAA, and U.S. Department of Defense) and AWOS (airport-owned and managed system that compliments ASOS) are the country's primary surface weather observing network supporting weather forecast activities and aviation operations (e.g., regional air carriers and cargo operators). Both systems are aging and in need of updated infrastructure. While the FAA/NWS are in the process of updating ASOS, States and airports are facing challenges in updating its AWOS infrastructure as the lack of suppliers and cost of installing and maintaining the systems is becoming unmanageable. This study is important to understand the full complexity of the challenges of this critical weather reporting system as it is an integral part of ensuring safety in our aviation system. The need for and importance of affordable weather reporting will only grow as vertiports are integrated into the National Airspace System. NASAO urges Congress to prioritize this study.

In all this, the state aviation agencies and NASAO pledge their best and most cooperative efforts to support a successful, efficient, and safe integration of AAM into our nation's air transportation system while working with our federal partners and industry stakeholders. We are enormously excited about the potential for increased access to aviation and look forward to participating in maintaining the nation's global preeminence in aviation.

Thank you for your time today, and the privilege of appearing before you. NASAO values its partnership with the House Committee on Transportation and Infrastructure and is proud to be a trusted resource for this Committee and its staff.

[2] ASOS reports basic weather elements such as sky conditions, visibility, present weather conditions, visual obstructions, barometric pressure, ambient temperature, wind speed and direction, and precipitation. With more than 900 ASOS sites in the United States, these automated systems are critical to providing weather information at airports.