



For Immediate Release
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**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding FAA Reauthorization**

Mr. President, at 5:30 this afternoon, the Senate will vote on the motion to invoke cloture on the motion to proceed to the reauthorization of the Airport and Airway Trust Fund, also known as the Aviation Trust Fund. I urge my Colleagues to support getting to this important bill.

Before getting to the specifics of the bill, I'd like to give some perspective on our current aviation system. And I'll start with the story of Sir Robert Watson-Watt.

Robert Watson-Watt was born in Scotland in 1892. He was a descendant of the steam-engine pioneer James Watt. Robert was a student of science, with a fascination for radio waves and how they might be used to transmit information. After finishing school, he got a job as a meteorologist at the Royal Aircraft Factory, not far from London. He worked on developing methods of using radio waves to help British airmen locate and avoid thunderstorms.

After years of work, in 1935, Watson-Watt produced a report called "The Detection of Aircraft by Radio Methods." The report suggested a new idea. The idea was that people could use short-wave radio to detect not only bad weather, but also aircraft, including bombers.

Watson-Watt's superiors tested his theory. And it worked. They called his new gizmo RADAR, an acronym for Radio Detection and Ranging.

By the time that World War II broke out in September 1939, the British government had installed radar all along the English Channel and the North Sea coasts. That gave the British advance warning of Hitler's bombers. Acclaimed historian A.J.P. Taylor said that he doubted that Britain could have survived the Second World War without Watson-Watt's invention.

Next, radar was ready for commercial application. All civil aviation needed for dramatic growth was a faster set of planes. That happened with advent of the jet engine in the 1950s and 1960s.

In 1952, what is now British Airways introduced the de Havilland Comets. Those were 36-seat British-made jets that could fly as fast as 500 miles an hour. Six years later, the Boeing 707 entered commercial service. Pan Am flew it from New York to Paris in just under nine hours — twice as fast as a propeller plane.

Seven years after that, in February 1969, the world's first wide-body jet — the Boeing 747 — made its inaugural flight. With seating for up to 450 passengers, the 747 was 80 percent bigger than the largest jet of that time. The era of mass aviation was in full swing.

But as air travel flourished, growing pains ensued. And by the late 1960s, public concern over air-traffic had spilled into the headlines: Here's a news story from 1967.

“Thicket in the Skies When a passenger hops a commercial plane to get from here to there quickly, he soon discovers that man does not live by one means of transportation alone. The Labor Day weekend congestion and peril underscores the point”

And here's another story, from May 1969:

“FAA Predicts Summer Air Jam [The FAA] forecast yesterday that, despite Federal restrictions that would limit flights at five major airports beginning June 1, air travelers might have another summer of frustrating delays.”

In short, the air transport system had grown beyond anyone's expectations. Change was needed. Congress responded by passing groundbreaking legislation.

In May 1970, Congress passed the Aviation Trust Fund. Congress built on a Nixon Administration proposal to adopt a law in which users of the aviation system paid for its upkeep. The new law imposed taxes on tickets, fuel, cargo, and the like. And the law established the Aviation Trust Fund to provide a stable source of funding for our Nation's aviation needs.

Despite some ups and downs over the last 38 years — including a lapse of the Trust Fund in the early 1980s — this system of funding air traffic has by and large succeeded. The rates of the taxes have changed. And some — like those on aircraft tires — have been phased out. But generally, this Trust Fund has managed to finance the needs of the air-traveling public.

Not anymore. Our system needs modernization, to improve efficiency and safety. Our 2008 Trust Fund, born in the 1970s, is paying for 1930s technology. That will change with passage of this bill. That will change with the adoption of NextGen.

And that brings us to the bill in connection with which we will vote this afternoon — the reauthorization of the Airport and Airway Trust Fund, also known as the Aviation Trust Fund. The Trust Fund finances the U.S. aviation system, with about \$12 billion per year in user-based taxes. The Senate substitute amendment would provide an additional \$750 million to the Trust Fund over the next three years. The bill would provide needed funds to modernize our aviation system.

The Senate substitute amendment is a compromise product. It represents months of work on the part of the Finance and Commerce Committees. Its passage promises improvements in safety and efficiency for air travelers.

Key to that improvement is NextGen. NextGen is the Federal Aviation Administration's plan to modernize the Nation's air-traffic system. NextGen would address the effect of air traffic growth. It would increase air-traffic capacity and efficiency. And it would improve safety and reduce the effect of air travel on the environment.

Generally speaking, NextGen involves the use of satellite-based technology. This includes items like Automatic Dependent Surveillance Broadcast. ADS-B would allow aircraft to continuously transmit location, speed, and altitude to other planes, pilots, and controllers. And that would improve the efficiency and safety of air traffic.

Instead of using Watson-Watt's radar to tell where they are, planes equipped with ADS-B get their exact location from Global Positioning System satellites. They then broadcast their flight number, speed, and heading — automatically and continuously — to ground control and other planes within 150 miles. This is a sea change in air-traffic technology. And we need to invest in it now.

So how do we pay for NextGen? The Finance Committee passed a bill to pay for NextGen this way: First, we set the tax for General Aviation jet fuel at 36 cents a gallon. That's up from the current 21.9 cents a gallon. This proposal was agreed to by the General Aviation community. And it will raise about \$240 million a year in additional funds for NextGen. Note that this proposal does not affect those who fly planes using "avgas," such as a propeller-powered Cessna.

Second, we moved partially-owned planes — known as "fractional" aircraft — from the commercial taxation regime to that of General Aviation. Fractional owners expressed concern that without this change, their ability to fly and land in Europe would be hampered. The European Union has strict rules governing which airports commercial flights can use. And this change should allow fractional aircraft to be considered as General Aviation, not commercial aviation. This change comes with a cost to the fractional users.

The Senate substitute amendment drops a proposed increase on the tax on international departures and arrivals. The Finance Committee bill proposed raising that rate — currently at \$15.40 — by \$1.55 each way. That's just over \$3 roundtrip. We argued that if someone had the wherewithal to travel overseas, then the cost of a Starbucks at the airport was a reasonable price to pay for contributing to a modernized air traffic system.

But given the state of the commercial airline industry, Senator Rockefeller and I agreed to drop this provision. In the face of dramatically higher fuel prices and mounting financial losses, we agreed that this was not the time to raise extra funds from the commercial industry.

All told, the package in the Senate substitute amendment raises an additional \$800 million over the next three years. More may be needed, especially given the rapid state of technological change. I know that both the Finance Committee and Commerce Committee plan to monitor NextGen's implementation. And since this is just a three year reauthorization, we'll be back at this again before long.

Finally, I'll note that this bill is not just about aviation. The Finance Committee package also contains other critical infrastructure items, including a direly-needed fix to the Highway Trust Fund. The Highway Trust Fund will run a deficit in 2009, unless Congress acts to repair that deficit.

In a time when our surface transportation suffers as much as — if not more so — than our air transport system, it is imperative that Congress act to restore needed monies to the Highway Trust Fund. We need to finance construction and repair of our Nation's roads and bridges.

Taxes on gasoline, diesel, and heavy trucks finance the Highway Trust Fund. The Highway Trust Fund is thus sensitive to changes in the use of these items. As Americans drive less, and as vehicle fuel-efficiency increases, the Highway Trust Fund's balance has taken a significant hit.

A Highway Trust Fund deficit is projected for 2009. And even worse projections are expected for 2010 and beyond. As we get nearer to the next Highway Bill, it's important that we at least make the Highway Trust Fund whole going into 2009. The Senate substitute amendment would do that. And I urge my colleagues to support it.

Mr. President, we'll have a vigorous debate this week. And I look forward to it.

But before that debate begins in earnest, I want to thank my colleagues — particularly Senators Rockefeller and Inouye — for their willingness to seek common ground. I think that the Senate substitute amendment is a good package.

So let us help to bring air travel from Robert Watson-Watt's 1935 idea into the 21st Century. Let us adopt NextGen to improve safety and efficiency in the skies. And let us vote to move to this bill this afternoon.

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