



For Immediate Release
February 3, 2011

Contact: Scott Mulhauser/Erin Shields
(202) 224-4515

**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the Status of the Airport and Airway Trust Fund**

As prepared for delivery

Captain A. G. Lamplugh, a British World War I pilot, once said:

“Aviation in itself is not inherently dangerous. But to an even greater degree than the sea, it is terribly unforgiving of carelessness, incapacity, or neglect.”

Today as we explore the state of the Airport and Airway Trust Fund – also known as the Aviation Trust Fund – we must remember just how dangerous carelessness, incapacity, or neglect can be when it comes to aviation.

We cannot afford to neglect our aviation infrastructure. Modernizing our runways and air-traffic control will improve safety, protect consumers, and create jobs.

Strong and efficient aviation will reduce delays, lower costs, and improve access to rural communities, including those in my home state of Montana.

We want to thank our witness for joining us today, particularly on such short notice. We look forward to his testimony.

The Aviation Trust Fund was enacted more than 40 years ago, to help finance the capital and operating costs of our aviation infrastructure.

Much has changed in aviation over the past four decades.

From airline deregulation in the 1970s to the arrival of the Internet in the 1990s, air travel has undergone a dramatic transformation in the four decades since the Trust Fund was born.

And so has the Trust Fund.

Revenues paid into the fund have risen from about \$1 billion in 1971 to a projected \$11 billion this year. And a dramatic increase in air travel has made clear the importance of this trust fund.

By 2030, the U.S. air-traffic system will handle an estimated 191,000 flights every day. This is a daily increase of about 49,000 flights. The number of passengers on U.S. flights will increase from about 645 million this year to one billion per year by 2030.

The revenues from the Aviation Trust Fund are paying for far different things than they used to, including new technologies like NextGen. NextGen is the new GPS-based air-traffic system that will help us better use our airspace. NextGen's precision will allow us to significantly upgrade our aviation system.

Proper and careful implementation of the NextGen system is critical. It is critical for improving safety, for improving aviation efficiency, for creating jobs and for advancing U.S. competitiveness.

Let's start with safety.

Until now, our air-traffic system has relied on 1950s-era radar that pilots use to navigate from point to point. The use of NextGen's GPS technology will allow for more precise tracking of aircraft. This will improve safety by letting air-traffic controllers and pilots know the exact location of every aircraft at every moment.

With NextGen, both pilots and controllers will have virtual maps in front of them displaying flights and weather in real time.

NextGen will also improve air-traffic efficiency.

The GPS-based system will let aircraft maneuver safely much closer together. This will allow airports to maximize the use of existing runways and build future runways closer together, reducing delays. Those delays are costly and frustrating for passengers.

Consider an FAA-commissioned report issued last year, which found flight delays cost our economy \$32.9 billion in 2007. Passengers lost billions of dollars, through time wasted at the airport, meals purchased while waiting for flights, and hotels rented due to cancellations and missed connections. That's unacceptable, and NextGen can help fix it.

Implementation of NextGen will also create jobs.

According to a report last October from the Treasury Department, more than 60 percent of the jobs created by infrastructure investments – such as NextGen – occur in the construction sector. And we all know that the construction sector was one of the hardest-hit by the recession, with an average unemployment rate of over 15 percent. Reauthorizing FAA legislation, with investments in NextGen, will help improve the construction industry's bleak situation and create an estimated 280,000 jobs in airports across the country.

Finally, implementation of NextGen will improve U.S. competitiveness.

We simply cannot continue to lead the world economy if we don't invest in infrastructure – including our transportation infrastructure. According to the same Treasury report, the U.S. spends approximately two percent of our GDP on infrastructure, a 50 percent decline from 1960. Meanwhile, China spends close to nine percent of its GDP on infrastructure. Europe spends five percent.

We can't continue to ignore our roads, runways and railways if we want to compete in the global economy.

Today's hearing is an important step this Committee will take toward improving our air-traffic system.

Through that process we'll be working to fund an air-traffic system that is safer and more efficient, one that sustains and creates jobs, and one that enhances our international competitiveness through investments in vital infrastructure.

We reported legislation to that end in the last two Congresses, and last year the Senate passed that product by a vote of 93 to zero. But unfortunately those efforts didn't result in a bill becoming law.

So we need to act again, and I urge us to do so quickly.

###