



Aviation in Ohio

Aviation is a success story in Ohio: While many industries have struggled the past five years, aviation jobs have grown by 25 percent. Specifically, during the period from 2006 through 2011, Ohio air transportation jobs grew from 3,230 to 4,040.

A recent study suggests Ohio's location, large number of airfields, certified FAA repair stations and relatively high number of registered aircraft creates an opportunity for significant job growth in the air transportation industry. Currently, approximately three percent of Ohio jobs support the industry.

Business Aviation

- Business aviation contributes more than \$150 billion to the U.S. economy each year and provides more than 1.2 million high wage, stable manufacturing and service jobs for schedulers, dispatchers, maintenance technicians, pilots, training professionals and airport employees.
- The vast majority of general aviation aircraft worldwide are manufactured, operated, serviced and maintained in the United States. To that point, business aircraft manufacture is one of the remaining sources of good manufacturing jobs in the country.
- Business aviation helps businesses of all sizes be more efficient and productive: 85 percent of business aircraft customers are small to mid-size companies who use one airplane, and 86 percent of business aircraft passengers are marketing and sales personnel, technical experts, and other company representatives and customers
- Business aviation helps its customers maintain their competitive edge by enabling them to maximize their two most important resources – people and time. Business aircraft utilization allows for higher personnel productivity, more efficient staff utilization, and reduced travel time.
- The majority of business trips utilize community airports often with little or no airline service. In fact, business aviation provides an economic lifeline for thousands of communities. There are more than 5,000 public use airports in the U.S., and fewer than 500 have commercial airline service, making business aviation vital.

INDUSTRY AFFAIRS.NETJETS TALKING POINTS

About NetJets

More than 4,000 men and women work to support Ohio's largest business aviation interest, NetJets. In addition to the many employees who work for the Company's various support vendors, approximately 2,000 Ohioans work at the Company's Columbus headquarters. The average NetJets salary is \$78,000, making the company a choice employer in central Ohio.

NetJets also employs more than 2,550-plus active line pilots, who live across the U.S. The pilots along with the mechanics, flight attendants and dispatchers are part of collective bargaining units.

Business Aviation & Tax Policy

Tax policy has a profound influence on business aviation companies: Excessive taxation will determine the frequency with which owners choose to fly. As it becomes more expensive for owners to utilize business jets, they will fly fewer hours, which has a cascading effect across the industry. Less demand means fewer jobs for pilots, mechanics, and support staff, and this has significant ramifications for the economy. In Ohio alone, general aviation contributes more than \$5.6 billion each year to the state's coffers.

Current law requires general aviation to pay to use the National Aviation System via fuel excise tax of 22 cents per gallon. NetJets owners pay this tax in addition to the fractional aircraft fuel excise surtax of 14 cents per gallon. Congress levied the surtax in 2012, holding fractional owners should pay the general aviation fuel tax as opposed to the commercial aviation ticket tax because business flights are not commercial and not available to the public.

Two tax policies included in President Obama's budget proposal have the potential to severely impair the industry's continuing recovery as well as any future growth.

- **\$100 Per Flight Segment Fee** The recycled proposal would apply a \$100 fee to all non-military flight segments. Although this amount may seem trivial at first glance, it quickly adds up to millions of dollars. Considering general aviation owners are already paying fuel excise taxes to use U.S. airspace and airports, placing yet another tax burden on the industry is bad for jobs in Ohio and economic growth.
- **Depreciation changes** Another recycled concept, the proposal would extend the depreciation schedule for business jets from five to seven years. The five-year cost recovery for business aircraft encourages the purchase of new airframes, which stimulates job creation in Ohio. Any extension to the current depreciation schedule will certainly force a slowdown of the industry's continuing recovery.