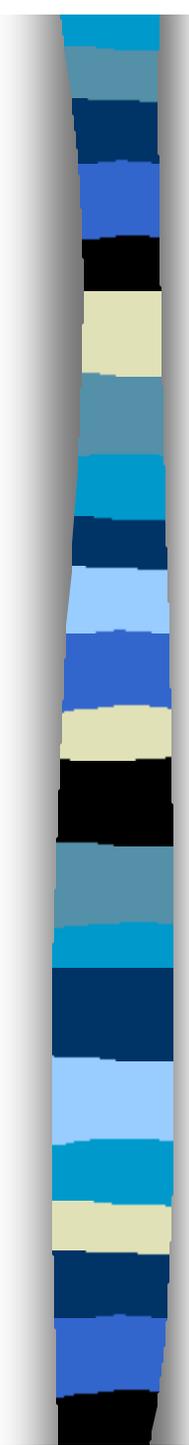


Aviation Issues, with emphasis on Business Aviation

Remarks by Jack Olcott, NBAA President
Presented at the FAA/NASA Joint University Program on
Air Transportation Technology Quarterly Review
April 5, 2001

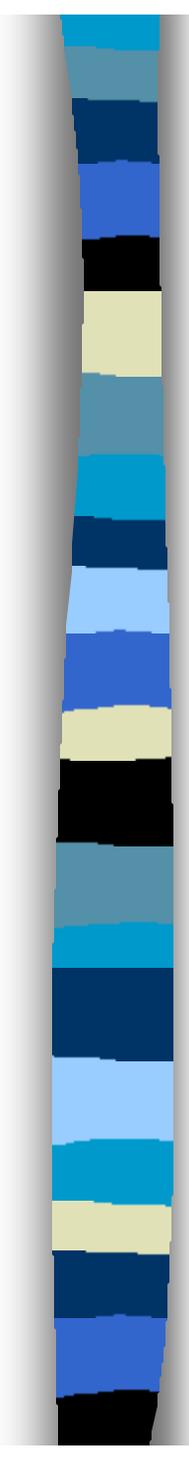




Topics To Be Addressed

- Role of Air Transportation within the National Agenda
- Role of Business Aviation within the Nation's Air Transportation System
- Relevant Issues

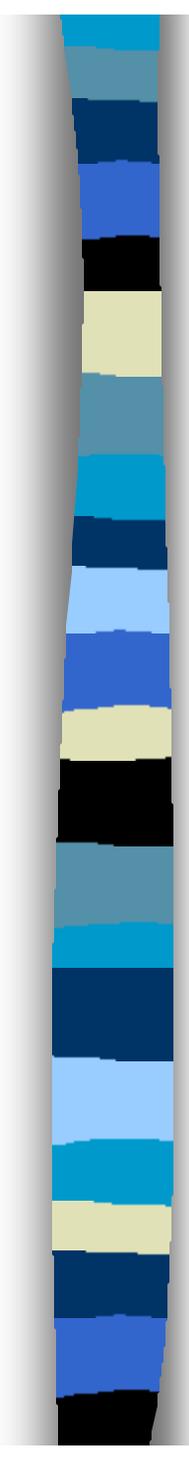




Role of Air Transportation within the National Agenda

- Throughout history, progress in transportation has paced social and economic development
 - King Solomon--Trade routes
 - George Washington--Seaports and canals
 - Abraham Lincoln--Transcontinental Railroad
 - Dwight Eisenhower--Interstate Highway System
- Air Transportation is an enabling technology for achieving our nation's social and economic objectives in the 21st century
 - Essential element in global trade
 - Pervasive and under appreciated role within everyday life

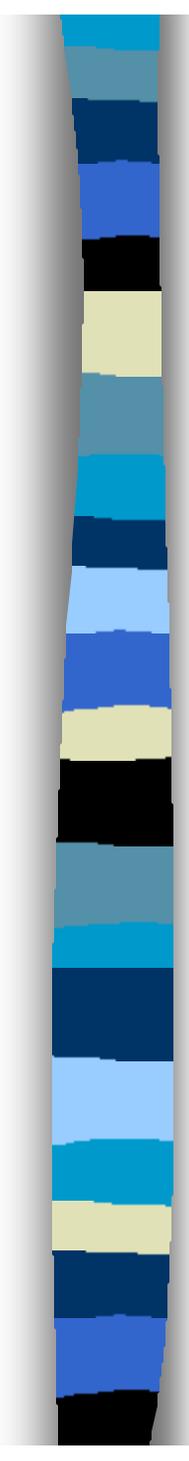




Role of Business Aviation within the Air Transportation System

- Business Aviation is the use of general aviation aircraft for business transportation
- Business aviation is an effective transportation resource and an integral part of our nation's air transportation system
- Business aviation is an important business tool for today's companies in today's business environment

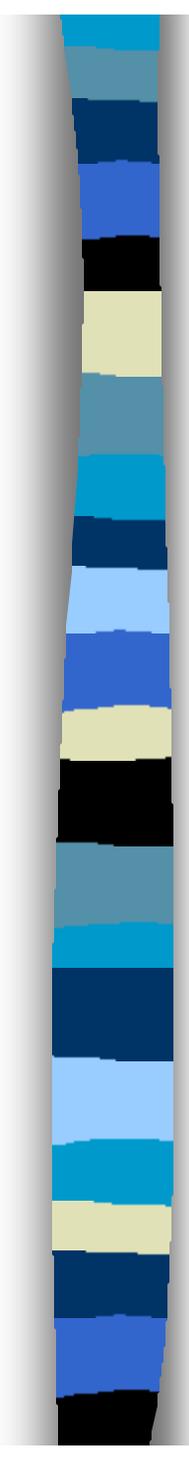




Character of the 21st Century Business Environment

- Productivity drives profits
- Technology quickens pace of business
- Relationships expand markets
- Work style must balance with lifestyle



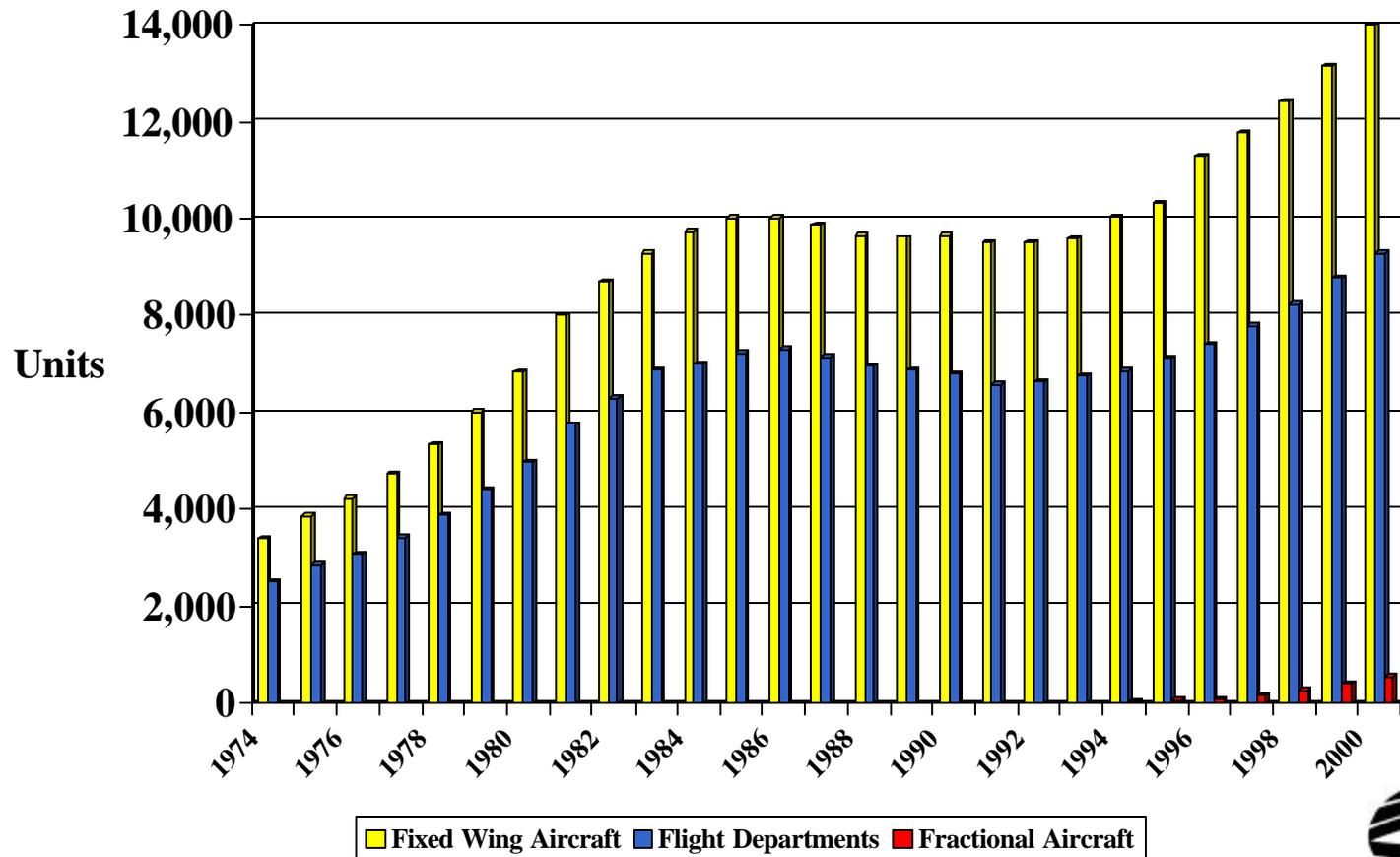


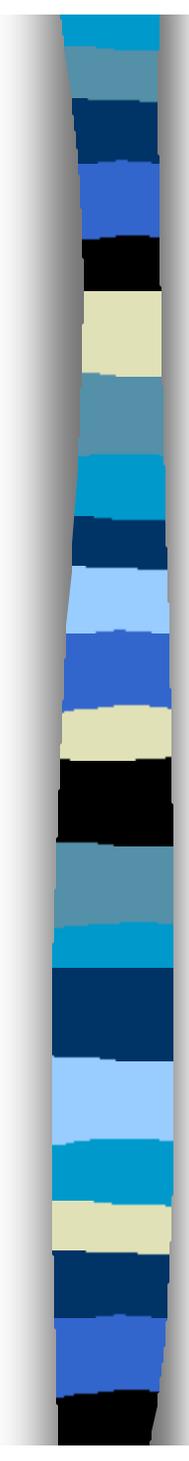
Productivity Drives Profits

- Economist agree on role of productivity in economic development
- Increased focus on productivity gains started in late 1980s
- Business practices that started in the late 1980s began a new era for Business Aviation
 - Fewer people doing same or more tasks
 - Focus on productivity



Productivity focus brought new demand for Business Aviation





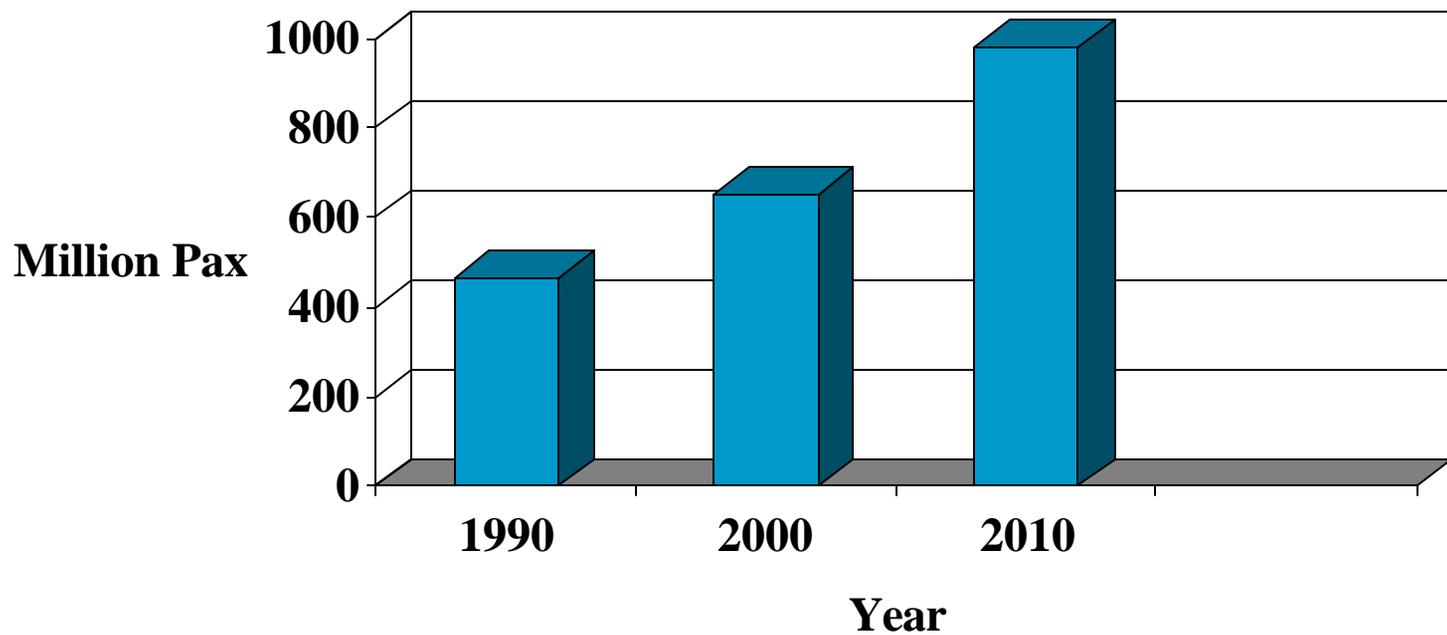
Technology Quickens the Pace of Business

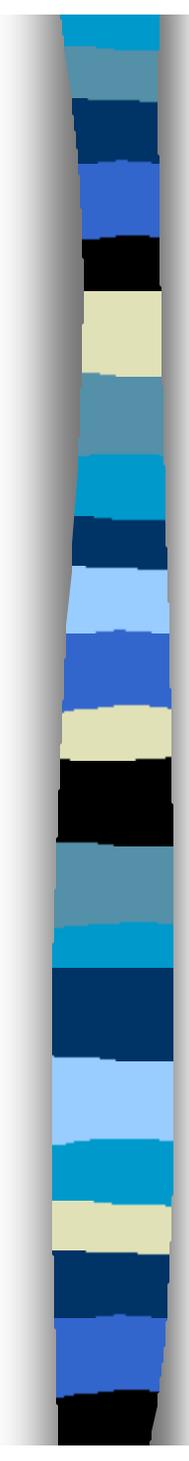
- We are experiencing a communication revolution
 - Cell phone
 - E-mail
 - Fax machines
- Have these communication marvels caused less travel?



All Travel Is Increasing

Domestic Airline Passengers

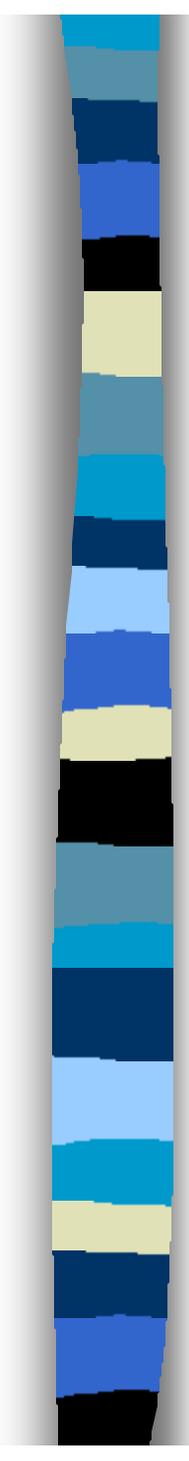




Business Aviation is growing because...

- It provides a unique travel service that is complementary, not competitive, with airlines
- Airlines serve hub markets
 - Scheduled airlines serve about 500 airports
 - Over 75% of passengers enplane at 50 airports
- Business Aviation serves 5,000 airports
 - Connects local businesses with national and global markets

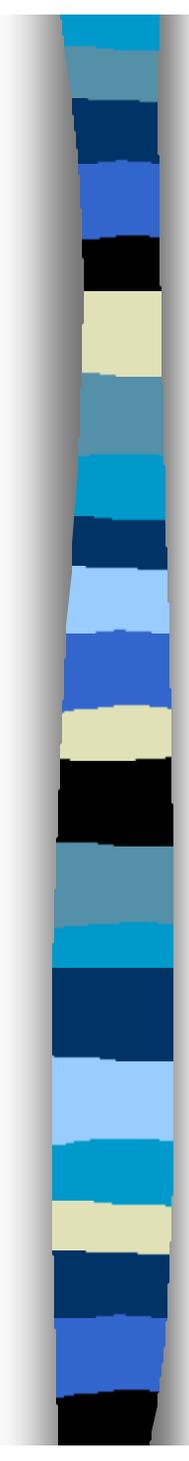




Business Aviation is growing because...

- It enhances the productivity of a company's most valuable assets
 - PEOPLE and TIME
- Aggregate analysis of 11 companies flying 1,300 missions over four months vs. Airlines
 - 5,939 hours travel time saved
 - 1,530 business days saved
 - 2,640 nights away from home saved
- The coinage of today's business is time

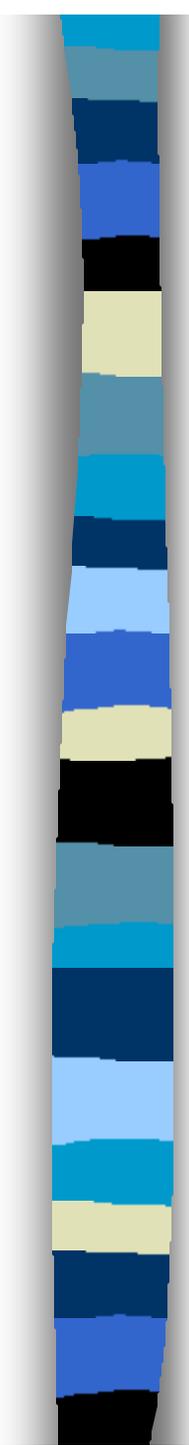




Relevant Issues

- Business Aviation is all about access
 - To qualified personnel
 - To airspace
 - To airports
- All aviation faces similar issues
 - Personnel, including labor issues
 - Airspace, including ATC/User coordination (CDM)
 - Airport acceptance rates
- Safety and efficiency
 - Safer Skies
 - Role of FAA in international aviation

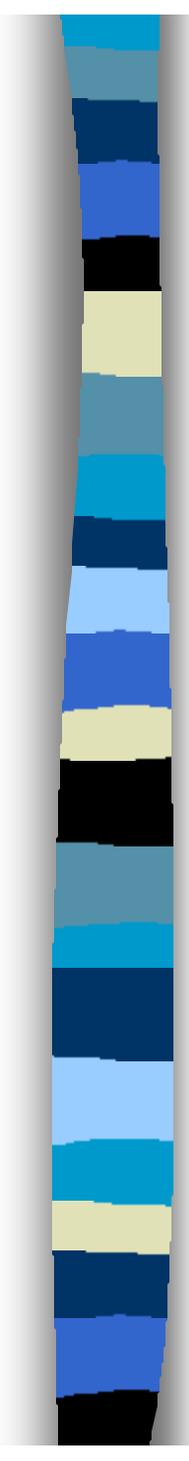




Access to aviation's talent pool

- All aviation recruits from the same sources
- Airlines have pressing talent needs
 - Pilots
 - Maintenance technicians
 - Service personnel
- Business Aviation needs to nurture, attract and retain career professionals

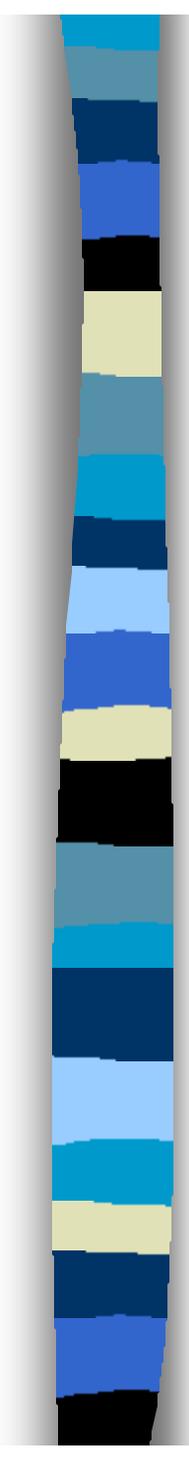




Access to airspace

- Introduction of Free Flight initiatives
- Policies regarding mix of aircraft within high-use airspace
 - Business Aviation is an incremental and efficient user of our nation's ATC infrastructure
 - Introduction of new generation of light jets
- Harmonization of access regulations regarding international airspace and airports

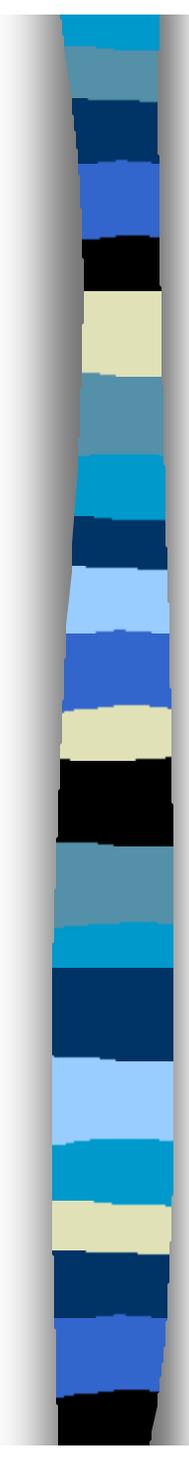




Access to airports

- Airports are the cornerstones of our nation's air transportation infrastructure
- Essential to bringing the ebb and flow of commerce to all our nation
- With no access to airports, we have no air transportation system
- Significant issue for business aviation internationally

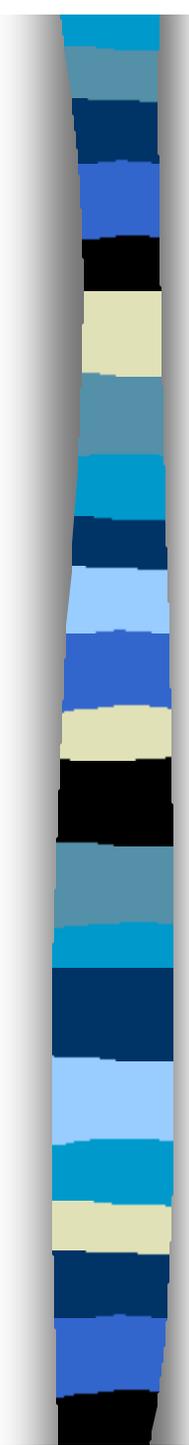




Airports are critical to congestion

- All ATC modernization will increase capacity between 5 and 15 percent
- Adding a new runway at five congested airline hubs will increase capacity between 40 to 80 percent
- Thanks to relievers, Business Aviation avoids airline hubs
 - Business Aviation is less than 5 percent of traffic at the five busiest airline hubs

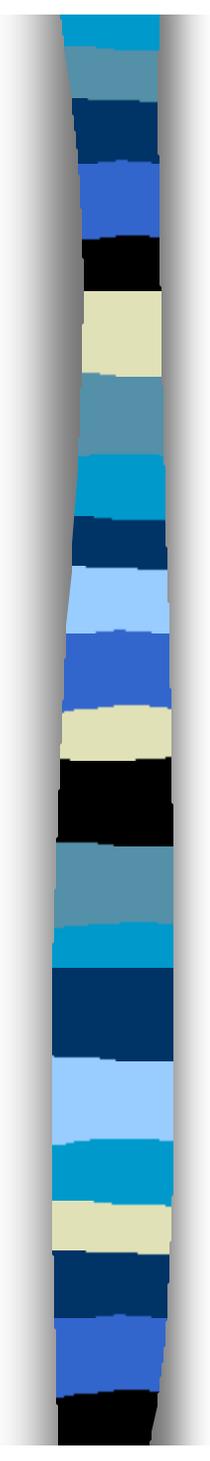




Access restrictions

- Mandates
- Peak-hour pricing
- User fees
- Privatized ATC system
- Local restrictions
- Bureaucratic delays



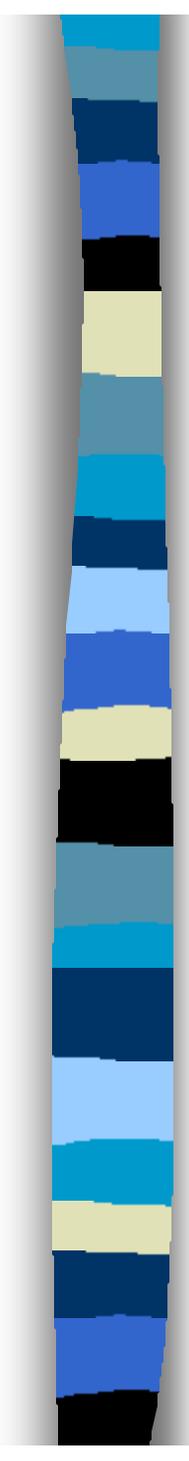


Dealing with access concerns

- Heightened public awareness
- Recognition of aviation's impact on our nation's economy
 - And quality of life

Good news! DOT Secretary Mineta

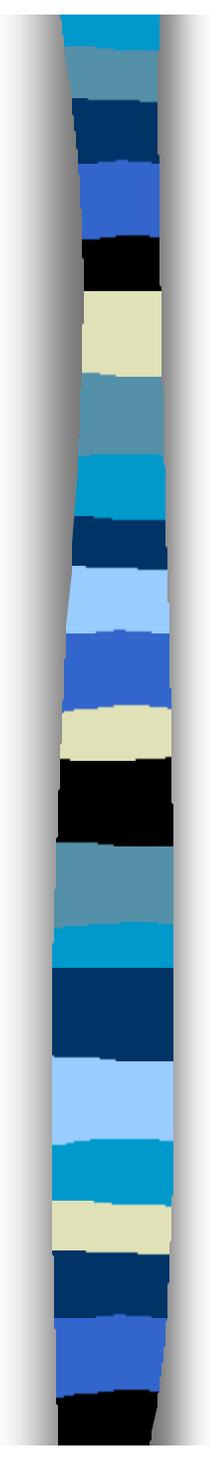




Conclusion

- Key issues for all aviation involve
 - Availability of trained personnel
 - Application of Free Flight technology
 - Quicker construction of runways—KEY
 - Harmonization of global air regulations
 - Relatively low priority of air transportation within the National Agenda

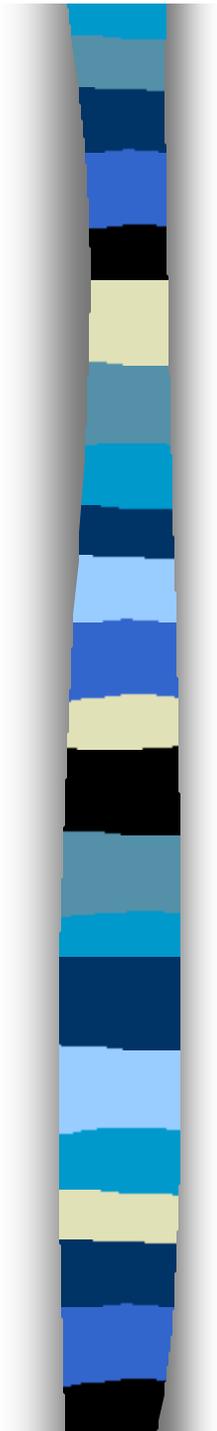




Recommendation

Our nation should develop a National Transportation Policy that recognizes and enhances the vital role that aviation plays in the lives of every citizen

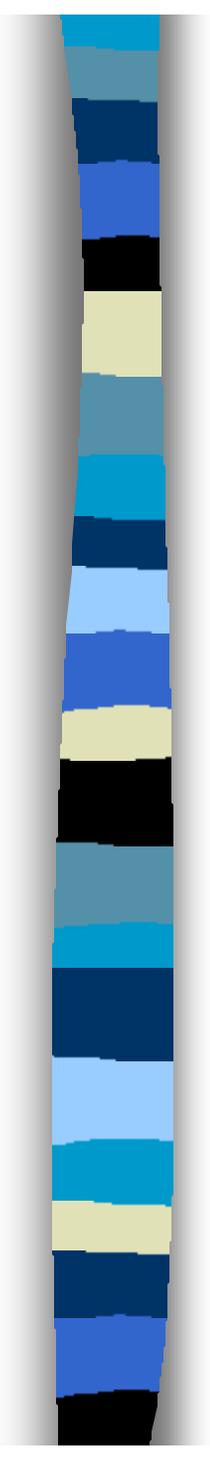




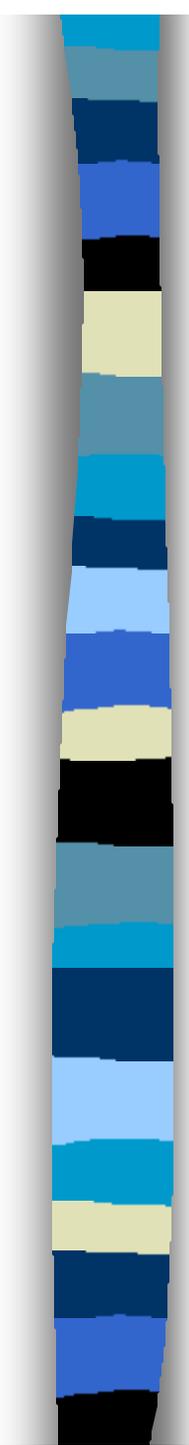
Thank you

Time to hear from you.
Questions, please





The following slides are for
general use and were not part of
the Princeton presentation

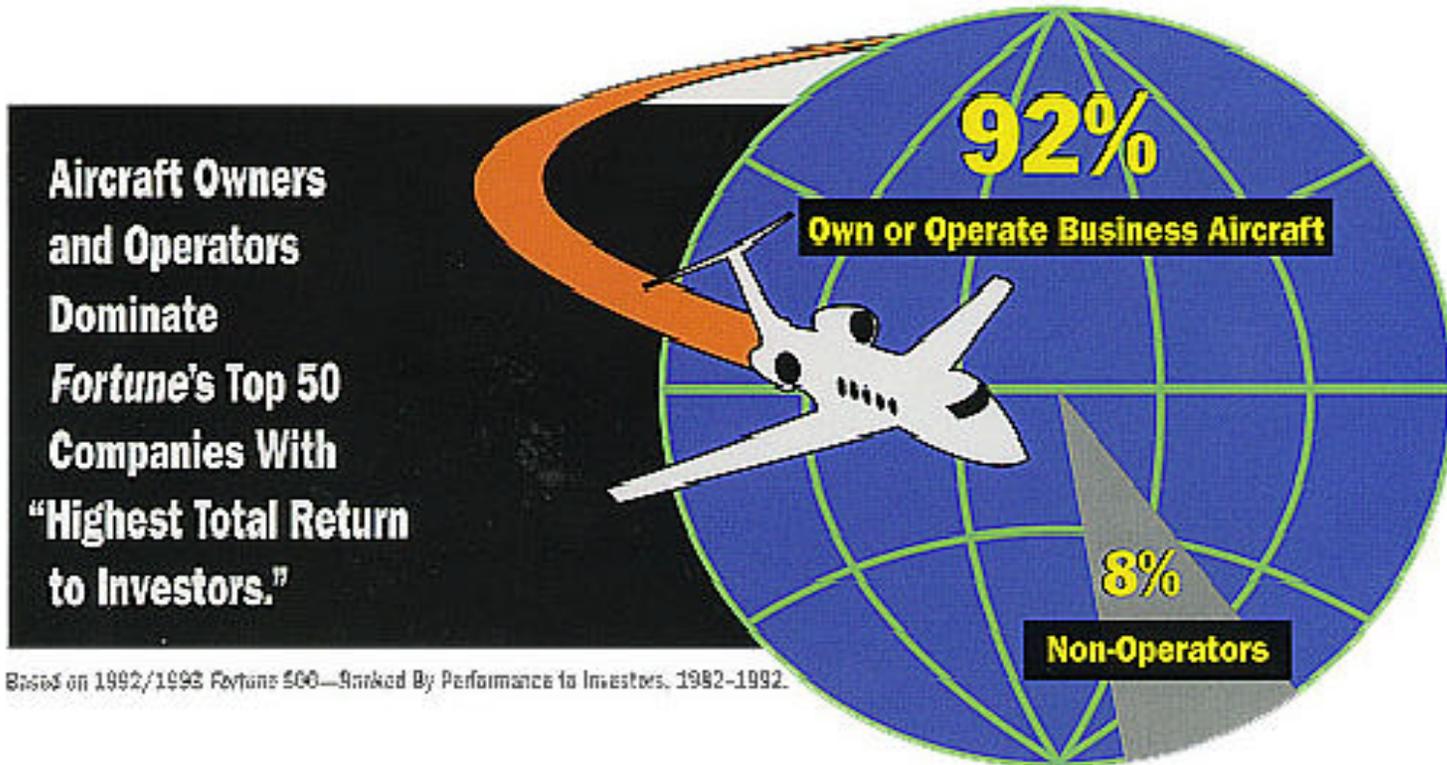


Highest returns to investors

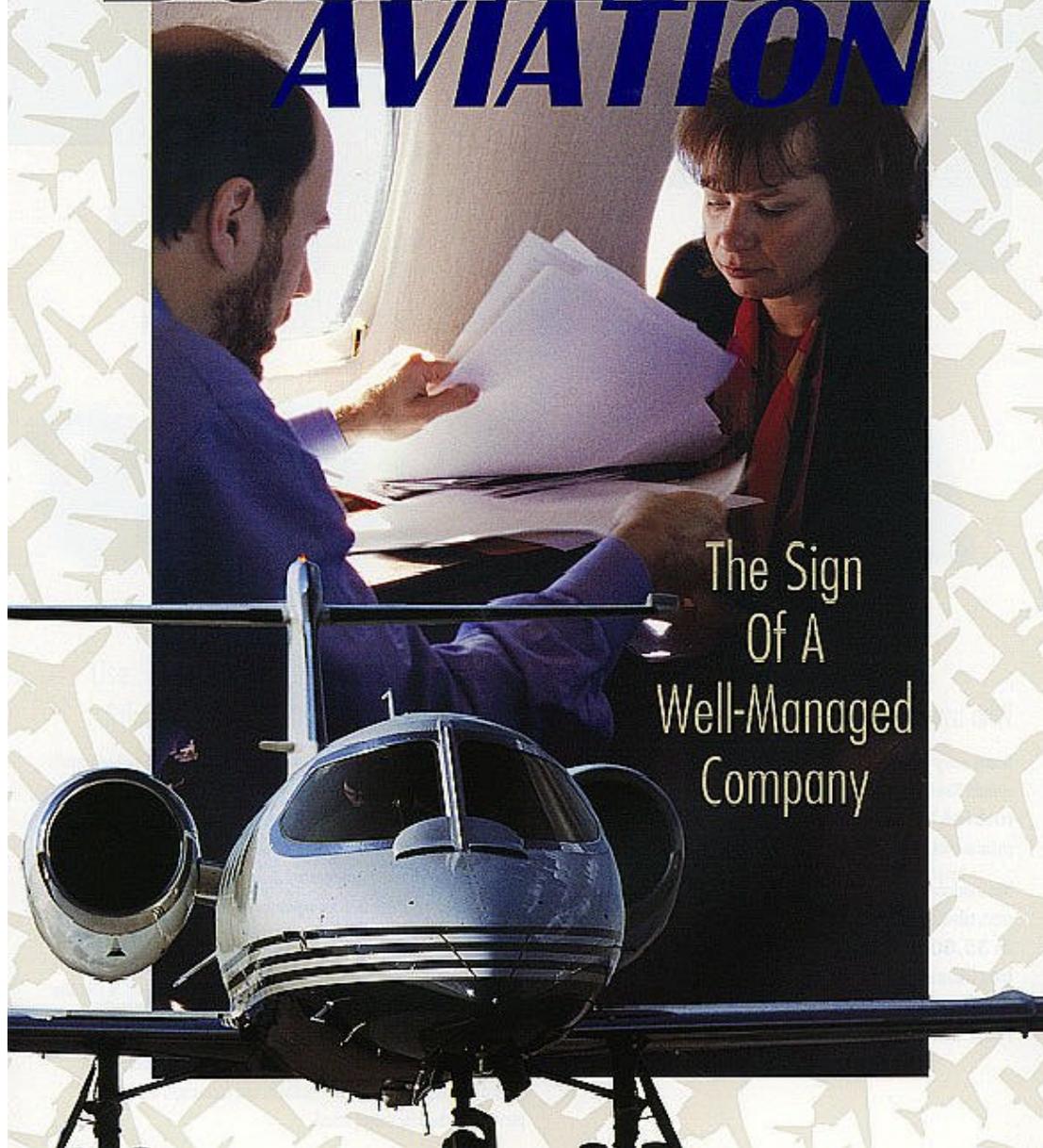
- Among US companies that provide the greatest benefits to shareholders
 - In highest dividends and capital gains over the proceeding 10 years
- Over 90 percent use business aviation



Business Aviation benefits shareholders



BUSINESS **AVIATION**



The Sign
Of A
Well-Managed
Company

