



Virginia Aviation Business Association

.....Fall 2019

2019 Aviation Update

Message from the President



Bud Oakey

The Virginia Aviation Business Association is the principal industry organization that focuses on advocacy of your issues with the General Assembly. While coalitions form for specific issues, the VABA works with

legislators to educate them on important industry issues and participates daily during the General Assembly process to help shape important legislation.

Our success depends on your ongoing support of our legislative initiatives. We provide our expertise to legislators, but rely on you, our members to provide the insiders insight into the aviation, aerospace, and UAS industries. Please consider volunteering for our legislative committee and take a direct role in shaping our policy agenda. In addition, please consider joining us during the upcoming General Assembly session in January to meet with legislators to give them a first-hand account of how Virginia law impacts our industries.

We have had many successes in recent years, most notably the aviation parts and supplies tax credit, which has made Virginia more competitive with other states for maintenance and repairs. We have also been instrumental in working on aviation workforce issues critical to ensuring that Virginia has the graduates to fill the countless jobs we know are currently unfilled. This covers every position from pilots and aerospace engineers to A&P mechanics servicing the commercial and private fleet.

In this upcoming session, the VABA will focus on creating an online informational portal for Aviation and Aerospace Education and Workforce Development Programs and Events. WE will focus on expanding the pipeline of students into aviation and aerospace studies and careers from 6th grade through college. We will support expanding the Virginia Aerospace and Aviation paid internship opportunities throughout the Commonwealth, utilizing a network of aviation trade association member businesses. We will expand the BLAST Aerospace emersion program to aviation focused sessions in partnership with your School of Aeronautics and Averett University Pilot Program.

2020 VABA Legislative Reception

Please join The VABA at our annual legislative reception. The event will be held at Richmond's Historic Main Street Station on January 29th, and again feature major aviation, UAS and aerospace organizations as well as members of the

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Virginia General Assembly. This reception is the best attended event during the legislative session. And back due to popular demand will be the Unmanned Aerial Systems demonstrations. Come watch UAS pilots show off their skills and the capabilities of their aircraft! For information on the reception, how to become a sponsor and how to purchase tickets click [here](#). We look forward to seeing you in January! Photo below is from the 2019 Legislative Reception.



Aviation Sales and Use Tax

The VABA's goal is to initiate and promote reforms that make Virginia the best state in which to do business. While the Commonwealth routinely ranks in the top 10 states for businesses, one area in which we are uncompetitive are the rules governing sales and use taxes on aircraft.

Virginia law considers any aircraft that makes 60 landings in a 12-month period to be based in the Commonwealth and therefore subject to sales and use taxes. Through meetings with our members, it became clear to us that this rule is a detriment to further business expansion.

There are numerous employers with large operations in Virginia that are headquartered in other states. Examples are Norfolk Southern, General Dynamics, and SAIC. These companies and others own corporate aircraft but house them in other states. The requirement to pay sales and use tax on all aircraft that make 60 landings in Virginia deters these companies from landing. Were these laws changed, companies would have an incentive to add more jobs in Virginia, as their corporate management could visit Virginia without paying

sales and use tax on aircraft based in other states. The Department of Aviation also recognizes the sales and use tax deters corporate aircraft from landing in Virginia. After meetings with the VABA and through its own analysis, the Department will support legislation creating two exemptions to the current rule.

We will pursue and work with the Department to propose exemptions for corporate aircraft and any aircraft undergoing maintenance. These changes will encourage more companies to locate or expand operations in Virginia and encourage Maintenance, Repair, and Overhaul to come



to the Commonwealth. These changes will bring more aircraft to our airports and expand opportunities for our members!

Thank you to Jim Molloy!

Earlier this year, Jim Molloy retired as Dean of the Liberty University School of Aeronautics. As he retires from Liberty, he is also retiring from the VABA Board of Directors.



Jim's service to Liberty and the wider aviation community cannot be understated. He has shepherded countless students into aviation and aerospace professions and fostered a love of flying in multiple generations of young people.



Aviation Parts & Supplies Tax Credit

In 2018, the VABA was instrumental in the passage of a tax exemption for aviation parts and supplies. Many states neighboring Virginia already exempted general aviation repair parts and maintenance from state sales tax. Since aircraft are mobile assets with significant repair and maintenance costs, Virginia-based aircraft owners had a strong incentive to take their business outside of the state. The exemption covers parts, engines, and supplies used for maintaining, repairing, or reconditioning aircraft or any aircraft's avionics system, engine, or component parts. This new law has already led to more opportunities for Virginia aviation businesses.

Privacy and Unmanned Systems

Privacy concerns surrounding UAS operations will be front and center during the 2020 session of the General Assembly. The VABA will monitor privacy issues but will not pursue legislation. The VABA and the Virginia Unmanned Aerial Systems will be the only organization working daily with the General Assembly to ensure that the UAS industry is not hampered by local regulation of UAS or overly-restrictive privacy measures. Our staff has been working with



delegates to educate them on the potential of UAS operations and the importance of setting reasonable and far-sighted regulations that allow the industry to flourish while also protecting privacy.



Meet our Members

Washington Airports Task Force is an organization that advocates for expanding and enhancing aviation services in Virginia and the National Capital Region. WATF is the only organization whose mission is to support our Virginia airports and its users, including passenger and cargo airlines, corporate and general aviation and others who benefit directly or indirectly from airport operations. WATF is focused on positioning Washington Dulles International Airport (Dulles) for continued growth while sustaining the gains already made and supporting Reagan National Airport (National) in a changing air transportation environment.



Martin Air specializes in providing the convenience, luxury, and freedom of chartered flights for individuals, businesses, and families. In addition, they manage and charter private aircraft and provide support during the aircraft purchasing process. Martin Air is in its 32nd year in business. With a fleet of well-diversified equipment and

The Virginia Aviation Business Association Staff

Daniel G. "Bud" Oakey
President
boakey@thevaba.org

Craig C. Whitham
Vice President
cwhitham@thevaba.org

Lena Cary
Administrative Director
lcary@thevaba.org

Preston Page
Staff Associate
ppage@thevaba.org



their sterling safety record, ARGUS Platinum and

ISBAO-II ratings, they are the go-to charter company for excellent service and value from the ground up!

Nexus Technology Services (Nexutech) was established in 2013 and provides unmanned systems subject matter experts to academia, governments and industry. Nexutech provides expert market creation, strategic business and corporate development advisory services to



Nexutech

new as well as existing domestic and global commercial technology business enterprises. Nexutech professional consultants possess decades of in-depth unmanned systems domain expertise, real-world technology development and proven program management skills.

Coming Soon!

Airport Research

The VABA staff meets constantly with its members and others in the aviation and aerospace industries to stay in touch with what's important and what services are needed yet lacking. In our discussions, many stated their concern that there is no single repository of information on Virginia airports. To that end, we at the VABA undertook a research project to gather the information our members need

on Virginia airports. We are focusing on critical areas such as fuel flowage fees, hangar and ramp fees, personal property taxes, businesses operating on airport property, and others.

We plan to offer this information to our members in the near future. It will help them compare airports and the services they provide, allowing for better business decisions. This type of repository is not available from other agencies or associations, and will be to the exclusive benefit of VABA members! ☺

Applications now being accepted for the Col. James L. Graham Memorial Aviation Scholarship

Link to website with application/requirements: <https://www.thevaba.org/scholarship>



VABA Board Members

Mike Mickel (Chairman)
Dave Young
Donna Speidel
Dave Darrah
Scott Strimple
Judy Lin Bristow
Rob Gatewood
Jim Malloy
Pat Colgan
Rich Anderson

How to contact us:

Bud Oakey, Craig Whitham, or Lena Cary
(See our email addresses on page 3) or use the address or phone below.

Virginia Aviation Business Association

The Ironfronts Building, Suite 400
1011 East Main Street, Richmond, VA 23219
Phone 804-920-9448



VABA 2020 Legislative Agenda

WORKFORCE DEVELOPMENT

Completed (VSGC) - Fund seed program for pilot ground school training at high school juniors and seniors.

1. Create an Online Information Portal for Aviation and Aerospace Education and Workforce Development Programs and Events.
2. Expand opportunities for pipelining students into aviation and aerospace studies and careers from 6th grade through college.
 - ★ Expand Virginia Aerospace Scholars Program to include aviation programs.
 - ★ Expand Virginia Aerospace and Aviation Paid internships opportunities throughout the Commonwealth utilizing network of aviation trade association member businesses.
 - ★ Expand BLAST Aerospace immersion program to aviation focused sessions in partnership with Liberty University School of Aeronautics and Avert University Pilot program.
3. Work with DOE to facilitate teacher certification to assure properly trained vocational resources are properly available at high school level without requirements for Masters in Education.
4. Improve relationships with DOE to remove classroom perceptions of difficulty for introduction of Aviation/Aerospace STEM and other related curriculum.

Taxation

- ★ Work with stakeholder groups to assure aviation sales & use tax for general & business aviation doesn't adversely impact corporate expansion within the Commonwealth.

Environment

- ★ Review existing Virginia Stormwater Management Program and associated fees as they apply to Virginia airports to identify solutions to minimize adverse financial impacts the program has in Virginia airports.

UAS

- ★ Monitor legislation relating to use of the National Air Space
- ★ Propose a revision/rewording of the statutory requirement placed on public safety agencies, to obtain a warrant to use UAS.
- ★ Continue support for the VA Flight Information exchange (FIX) Pilot Program.
- ★ Advocate for the funding of the Wallops Island Visitor's Center.

Economic Development

- ★ Support initiatives that enhance VEDP and locality's ability to attract aviation/aerospace related business to Virginia both inside the fence and to adjacent property.

Legislative Update

Speaker-Elect Eileen Filler-Corn has been proactive in naming the chairs of key committees. Critical to our industry are House Appropriations and Commerce and Labor. Speaker-Elect Filler-Corn has appointed Del. Luke Torian as the Chair of Appropriations, and Del. Jeion Ward as Chair of Commerce and Labor. All our critical aviation workforce initiatives will go before these committees. The VABA will continue to work with these and other members as the 2020 Session convenes in January.