



Virginia Aviation & Aerospace Caucus (VGAAC)

Thursday, January 16, 2025

8:00-9:00 AM

Senate Room 3

Caucus Agenda: Jan 16

Agenda Item	Speaker	Time
Call to Order and Introduction	Senator DeSteph, Delegate Delaney Aviation Caucus CO	8:00 - 8:05
Aviation Parts and Supplies Tax Exemption Study	Bud Oakey, President, Virginia Aviation Business Association	8:05 - 8:15
State of Aviation in Virginia	Greg Campbell, Director, Virginia Department of Aviation	8:15 - 8:25
FAA Certified AMT Program	Dr. John Downey, President, Blue Ridge Community College	8:25 - 8:35
Real Estate Noise Disclosures	Michael Cooper, Manager of State and Local Government Affairs, Metropolitan Washington Airports Authority	8:35 - 8:45
Review of Aviation Legislation and Budget Amendments	Bud Oakey, President, Virginia Aviation Business Association Michele Satterlund, Macaulay, Jamerson, Satterlund & Sessa Attorneys at Law	8:45 - 8:55
Round Table Discussion with General Assembly Members		8:55 - 9:00
Adjourn		9:00



Roll Call

Welcome and Introduction of Members Present

Senator DeSteph, Delegate Delaney Aviation Caucus CO

Bud Oakey

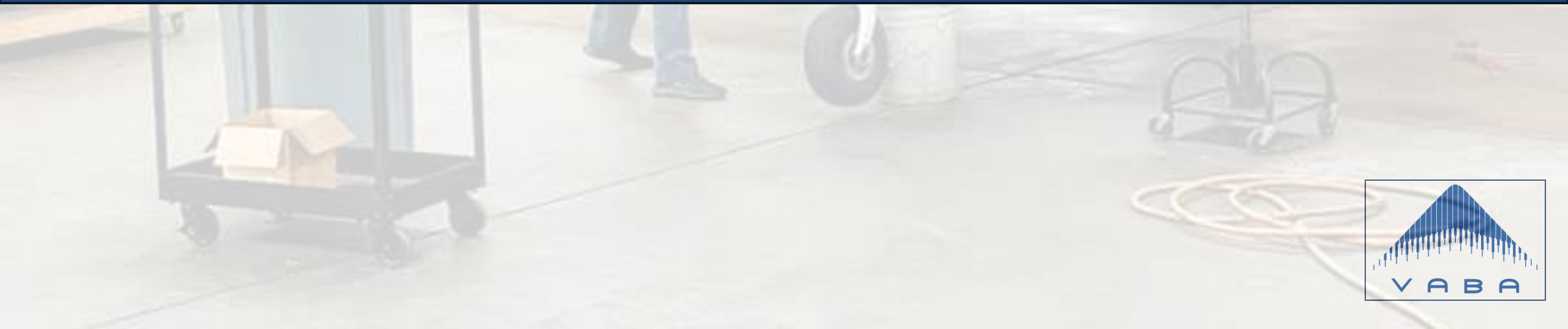
President, Virginia Aviation
Business Association (VABA)





Securing Virginia's Aviation Future:

The Case for a Permanent and Expanded Tax Exemption



Background: Virginia Aviation Parts and Supplies Tax Exemption

- Virginia's aviation industry supports 147,000 jobs and \$23 billion in annual economic impact, with significant growth since 2018
- The 2017 Virginia Aviation Parts Sales Tax Exemption boosted competitiveness by removing sales tax on general aviation parts and supplies
 - Sunset provision for July 2025
 - Current exemption excludes aircraft with gross takeoff weight \leq 2,400 pounds
- Current proposal to expand exemption to smaller aircraft and make the exemption permanent (HB1706 & SB942)



Virginia Aviation Parts and Supplies Tax Exemption Survey

Purpose

- Quantify the effects of the exemption
- Estimate the benefits of an expanded and permanently established exemption
- Understand geographical ease of seeking service in neighboring states

Respondents

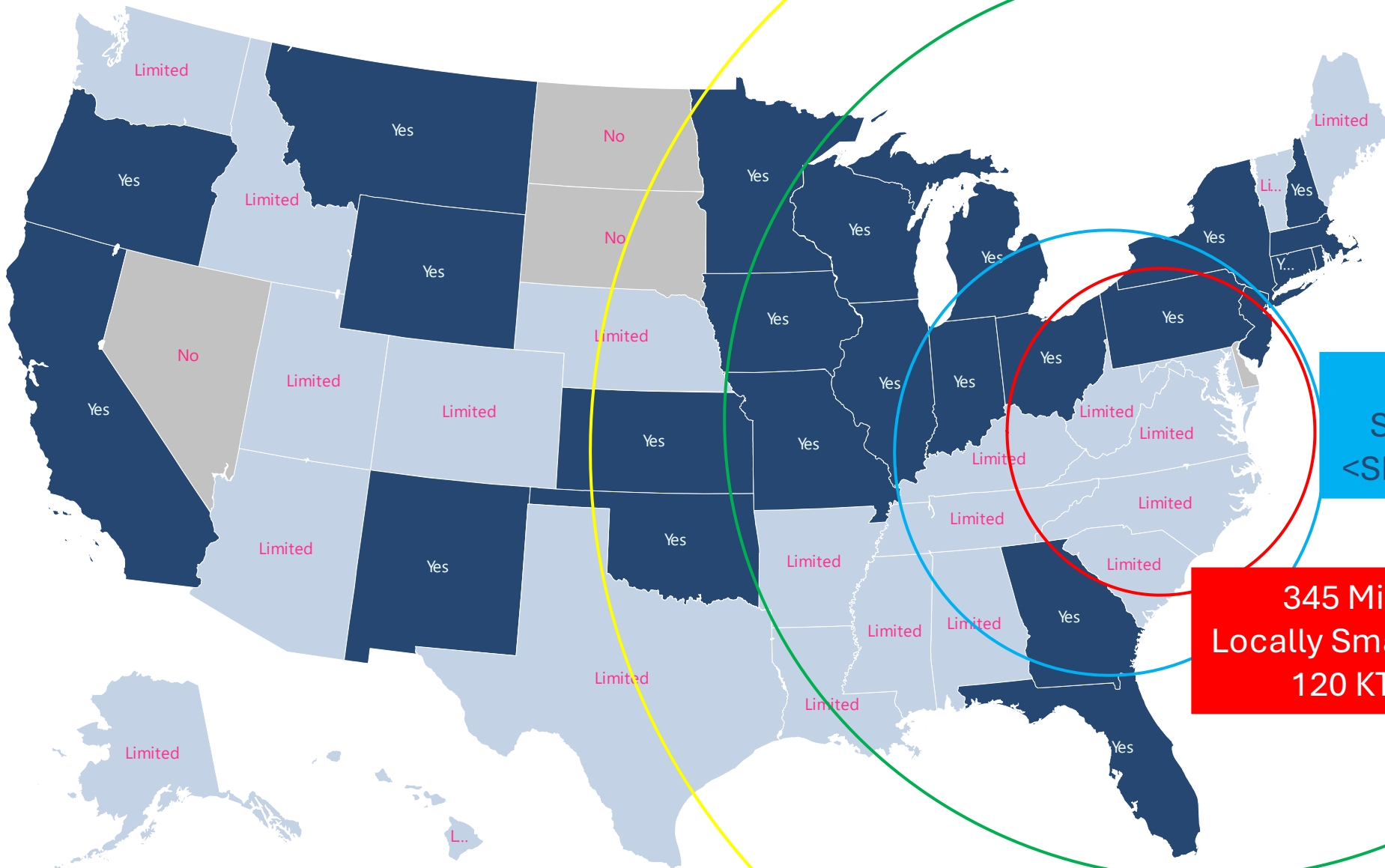
- Aircraft Maintenance Business Owners
- Aircraft Owners/Operator
- Aircraft Maintenance Technicians
- Flight School Owners

Administered by

- The VABA
- Aircraft Owners and Pilots Association (AOPA)
- National Business Aviation Association (NBAA)

Tax Exemption Status for Aircraft Repair Parts

■ Limited ■ Yes ■ No



1,222 Miles
G250 and larger
425 KTS Avg

934 Miles
Mid to Large (ME < 325 KTS)

434 Miles
Small (120 KTS
<SE/ME < 180 KTS)

345 Miles
Locally Small (SE < 120 KTS)

Survey and Study Findings

\$55.6 M

Annual maintenance spend on aircraft registered in VA

\$278 M

Total maintenance spend on aircraft registered in VA from 2018-2024

Business Owners

- 81% report growth
- 63% added services
- Attract out-of-state work from NC, MD, FL, and GA

Flight Schools

- 100% rely on the exemption
- Face high maintenance costs

Aircraft Owners/ Operators

- 80% would shift work out of state without the exemption

Aircraft Maintenance Technicians

- 67% see increased workloads
- Tied to the exemption's continuation

Recommendations & Call to Action



Recommendations

Permanently extend the tax exemption
Expand to include smaller aircraft (\leq
2,400 lbs GTW)



Why It Matters

Retains businesses, attracts out-of-
state work
Supports workforce development and
economic growth



Call to Action

Ensure Virginia remains a leader in
aerospace and advanced air mobility

Support [HB1706](#) & [SB942](#)

Greg Campbell

Director, Virginia Department
of Aviation (DOAV)





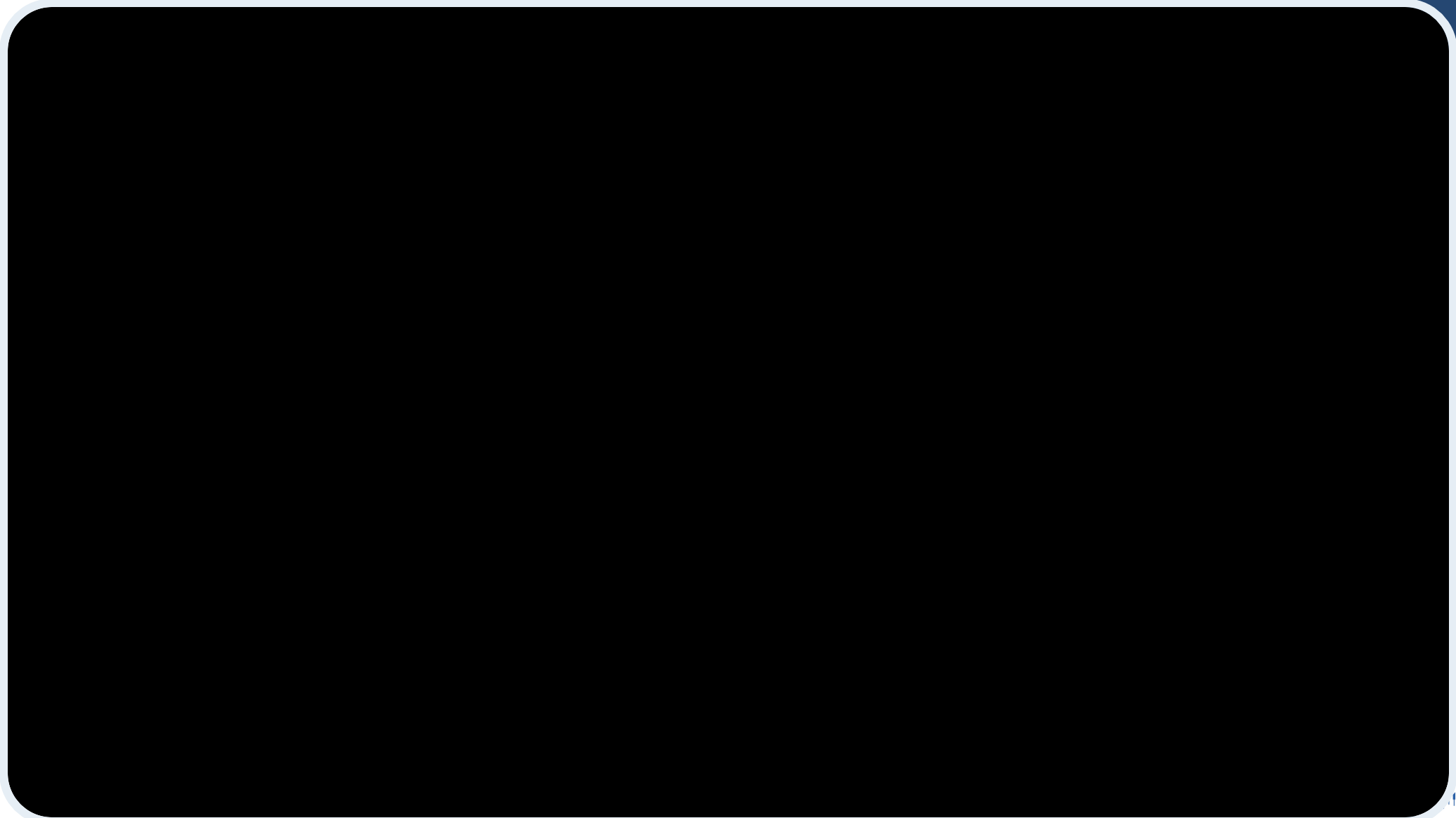
VIRGINIA AVIATION CAUCUS

Powering Economic Activity in
the Commonwealth

Greg Campbell, Director
Department of Aviation

January 9, 2025

The Value of Aviation



Commonwealth Aviation Fund



FY2025 Annual Budget - \$35.7 million

Eligible Projects

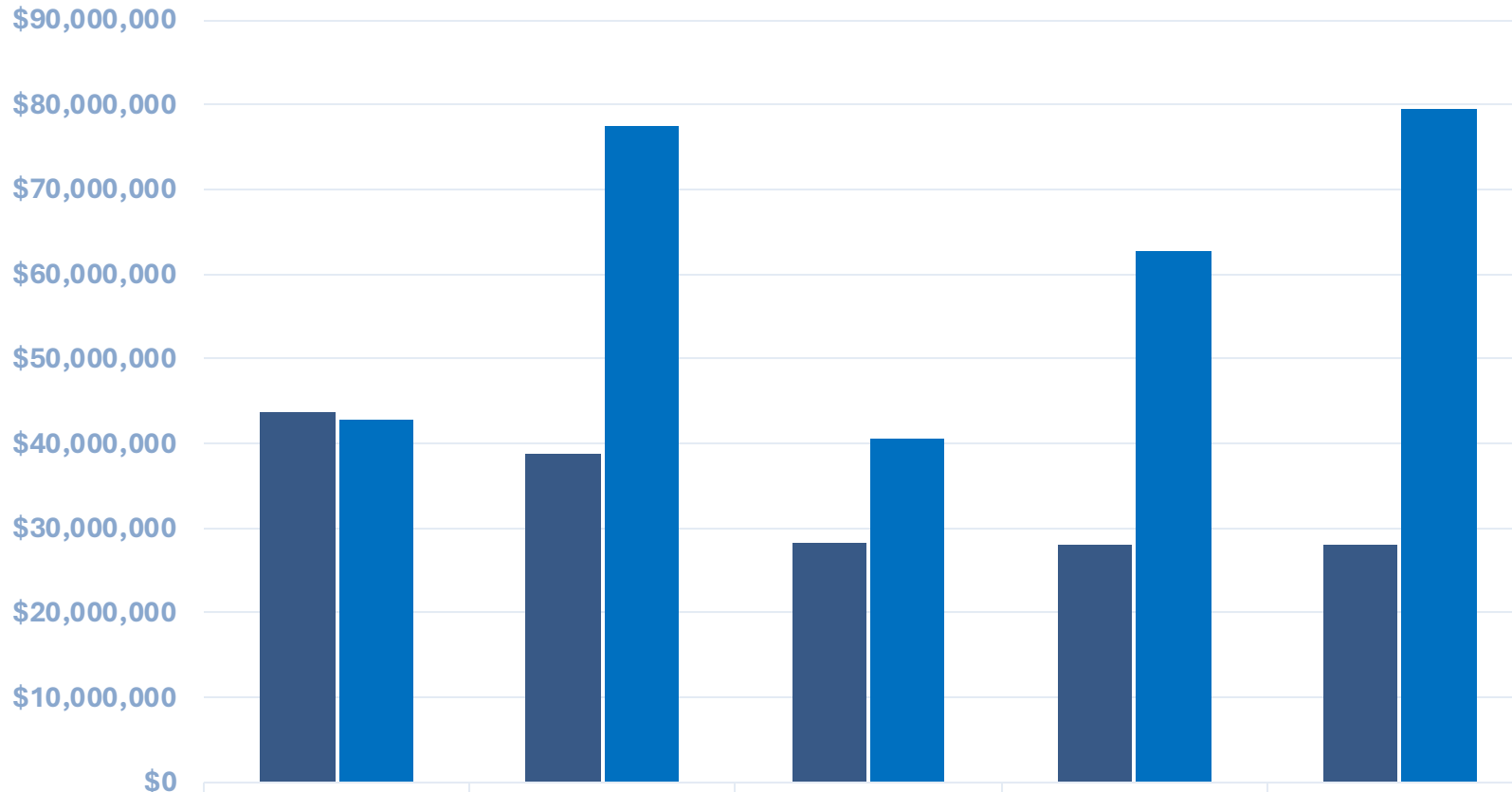
- ❖ Runway, taxiway & apron construction/rehabilitation
- ❖ Land and easement acquisitions
- ❖ Airport master plans & environmental plans
- ❖ Airport access roads
- ❖ Fueling systems
- ❖ ARFF equipment & snow removal equipment
- ❖ Hangar site preparation
- ❖ Terminal & maintenance equipment buildings

Funding Ratios (percent)

- ❖ FAA/State/Local – 90/8/2
- ❖ State/Local – 80/20
- ❖ Funding ratios based on project type

- ❖ Temporary funding program May 2024 through May 2025

Funding Investments



Projects Per Year

- ❖ 2024 - 79
- ❖ 2023 - 89
- ❖ 2022 - 64
- ❖ 2021 - 79
- ❖ 2020 - 51

	2024	2023	2022	2021	2020
■ CAF Allocations	\$43,682,145	\$38,764,830	\$28,219,609	\$28,114,571	\$27,899,883
■ Leveraged Federal Funds	\$42,822,333	\$77,402,815	\$40,596,275	\$62,651,149	\$79,557,223

Total CAF Allocations for 2020 – 2024 : **\$166,681,039**

Total Leveraged Federal Funds for 2020 – 2024 : **\$303,029,795**

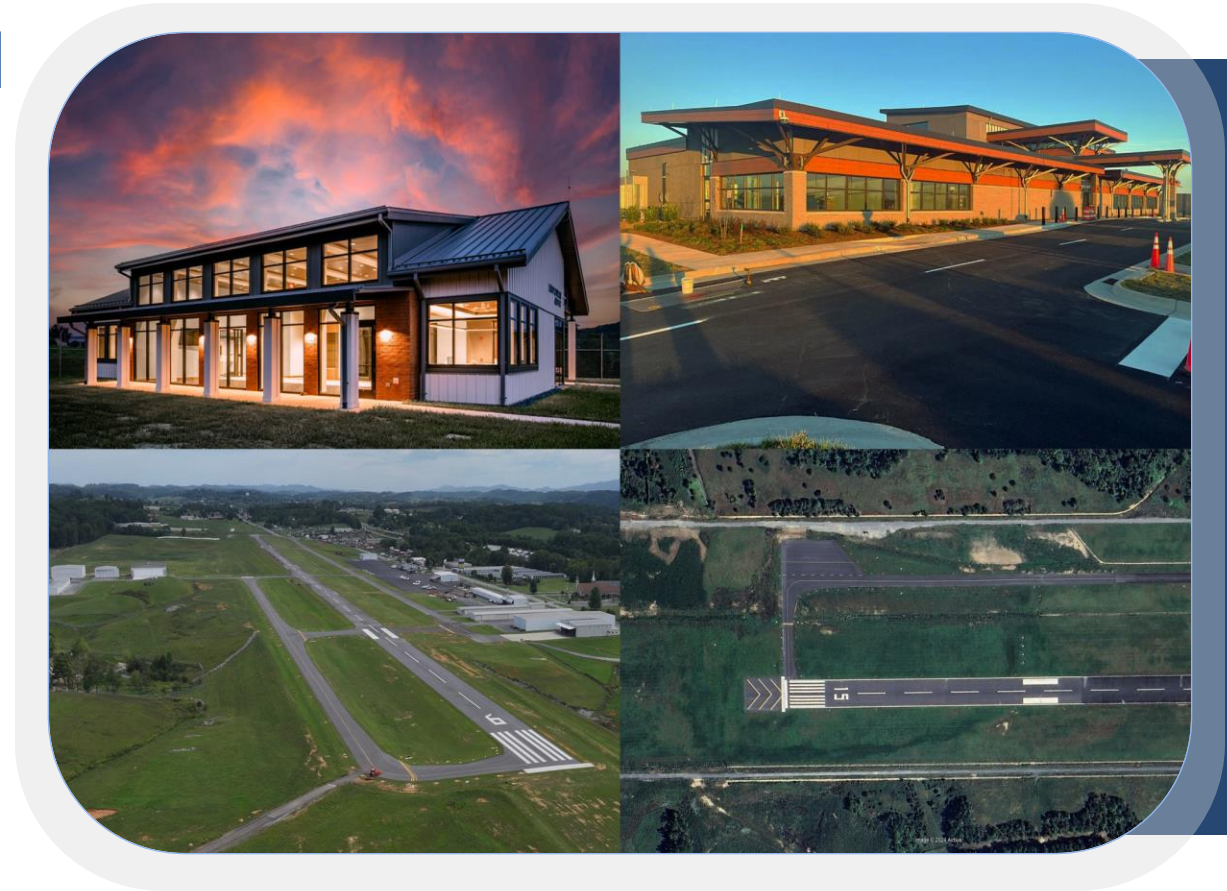
*Federal FY2025 has not ended and to date, no FAA grants have been offered



Commonwealth Aviation Fund Investments

R/W Extension Projects

- **Stafford Regional Airport:**
 - Runway Extension from 5,000' to 6,000'
 - FAA: \$14,750,000
 - State: \$288,000
 - Completed in 2023
- **Virginia Highlands Airport:**
 - Runway Extension from 4,471' to 5,500'
 - FAA: \$35,000,000
 - State: \$5,600,000
 - Completed in 2023
- **Blue Ridge Regional Airport:**
 - Runway Extension from 5,000' to 6,000'
 - FAA: \$10,700,000 (Projected)
 - State: \$3,600,000 (Projected)
 - Scheduled completion in 2025



Terminal Building Projects

- **Luray Caverns Airport:**
 - FAA: \$780,527
 - State: \$3,218,795.73
 - Completed in 2024
- **Winchester Regional Airport:**
 - General Assembly: \$5,000,000
 - State: \$6,989,685.65
 - Scheduled Completion early 2025



Aviation Special Fund Programs



FY2025 Budget for Airport Support Programs \$3.8 million

- ❖ Airport Maintenance
- ❖ NAVAIDS
- ❖ Facilities and Equipment
- ❖ Rural Runway
- ❖ Air Service Development and Promotion Grants
- ❖ Airport Security

Governor's New Airline Service Incentive Fund (NASIF)

Created by the Virginia General Assembly during its 2020 session. Designed to encourage establishment of new non-stop commercial service between Virginia and other markets not served by other airlines. Air carriers are eligible for up to \$250,000 per year.

Current fund balance is \$2,674,770.72. By Code, 25 percent is set aside for airports with less than 400,000 enplanements annually.

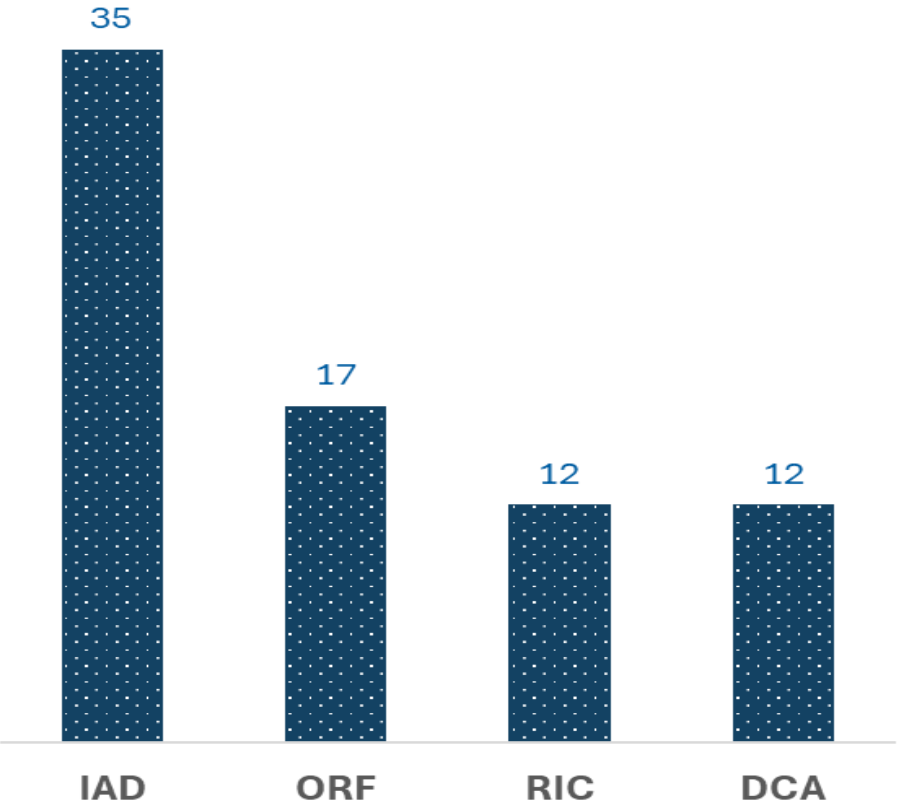
Four awards granted since 2022:

- ❖ Breeze Airways, \$179,462.35 awarded for 10 routes (ORF and RIC) in 2022
- ❖ American Airlines, \$50,000 awarded for two domestic routes (DCA) in 2023
- ❖ United Airlines, \$40,000 awarded for two international routes (IAD) in 2023
- ❖ Breeze Airways, \$130,000 awarded for eight routes (IAD, ORF and RIC) in 2024

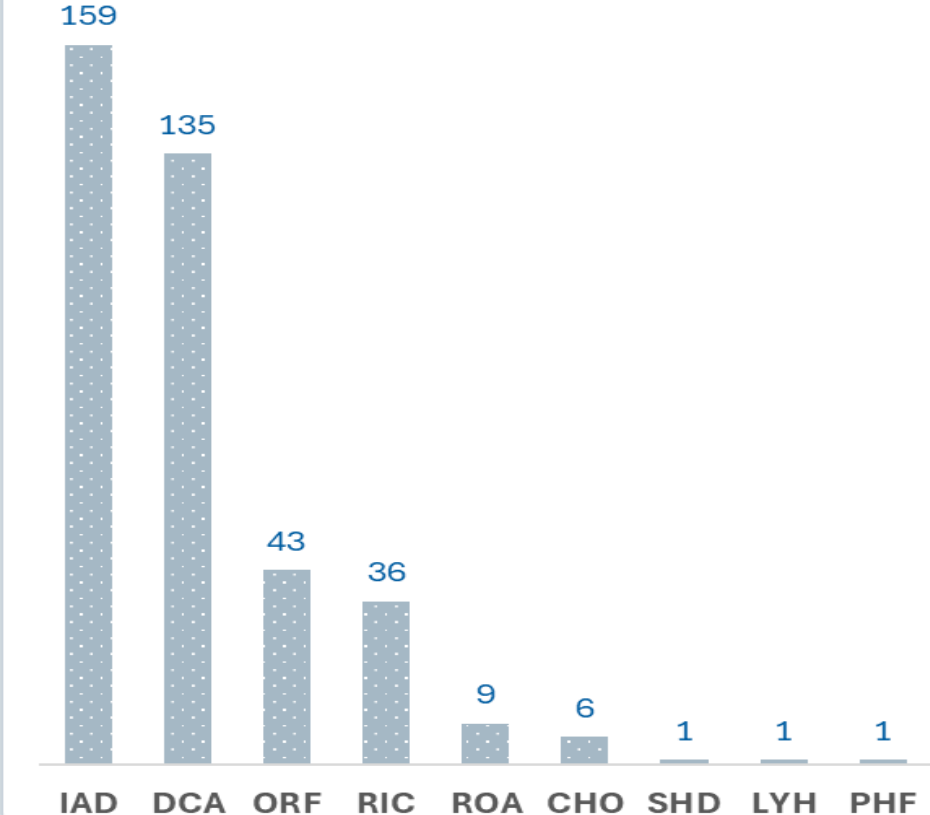


Air Service Routes Since 2022

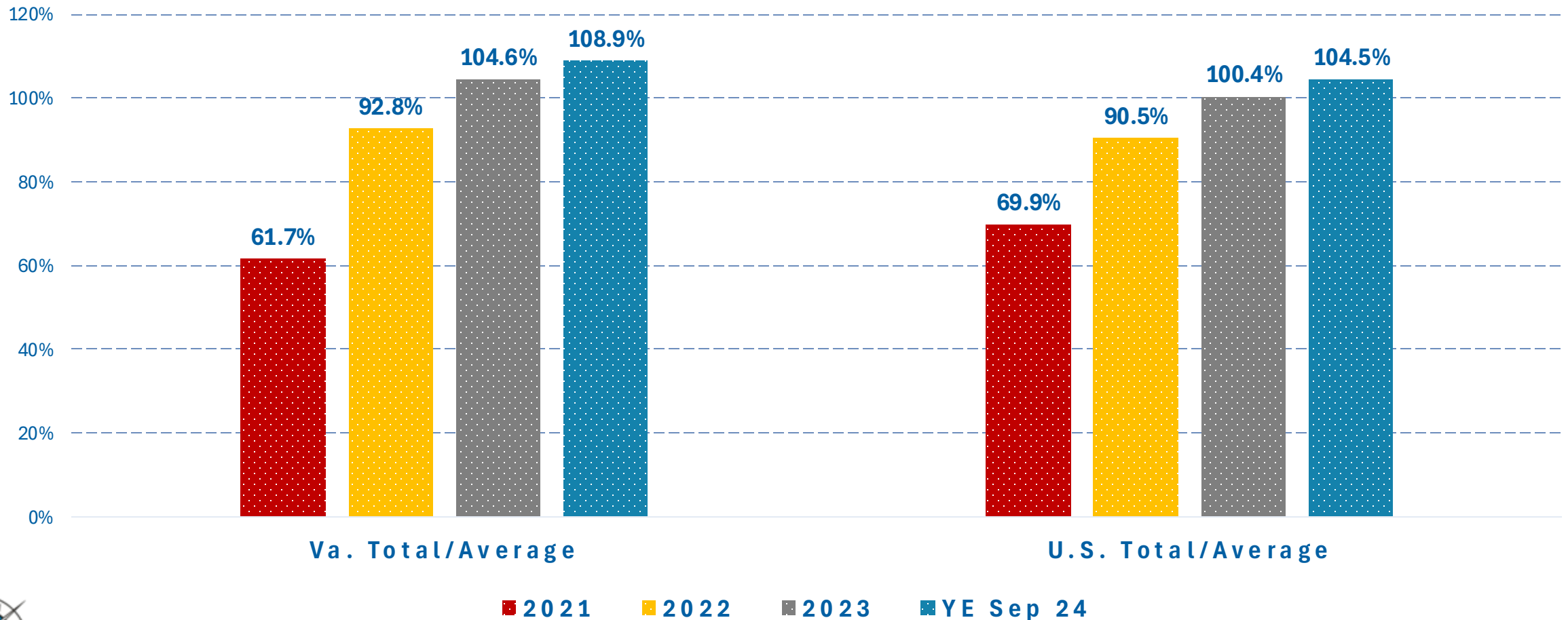
New Routes Added Since 2022



Number of Routes Retained Since 2022



Virginia Commercial Air Service Airports' Traffic Recovery Since the Pandemic Versus the U.S. Average



Education and Outreach



DOAV ICON A5 Introduction to Flight Program

Teaching aviation education to K-12 students and events across the Commonwealth of Virginia.

Reached 18,000 students in 2024.



Aviation Education & Community Outreach



ICON A5 Introduction to Flight Program



National & State Aviation Events



Learn to Fly

Chad Weaver Scholarship



Aviation Scholarships

- Willard G. Plentl, Sr,
- John R. Lillard
- Kenneth R. Scott



Aviation Art Contest



Virginia Photo Contest



Women Can Fly

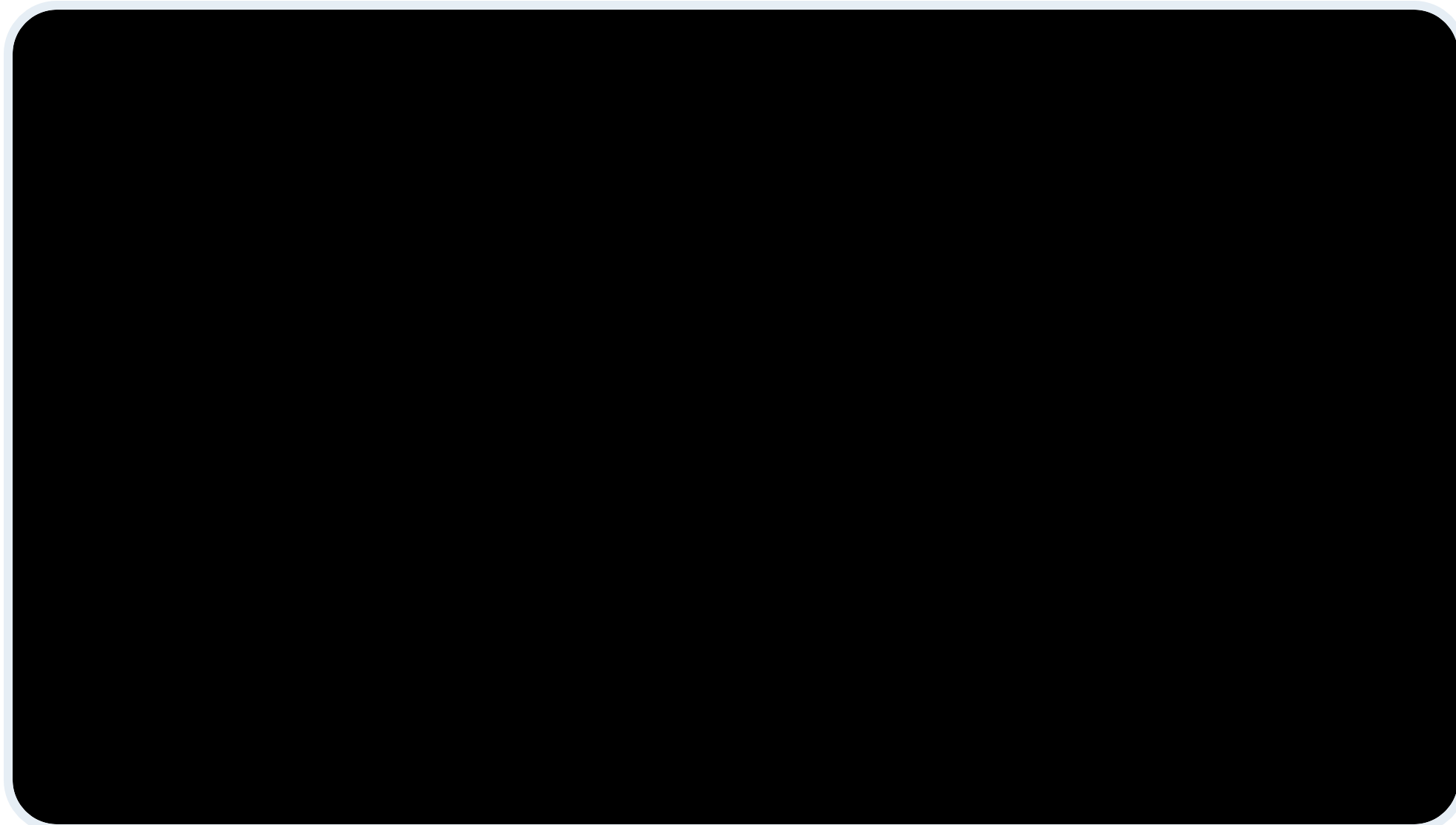


AAM Is...

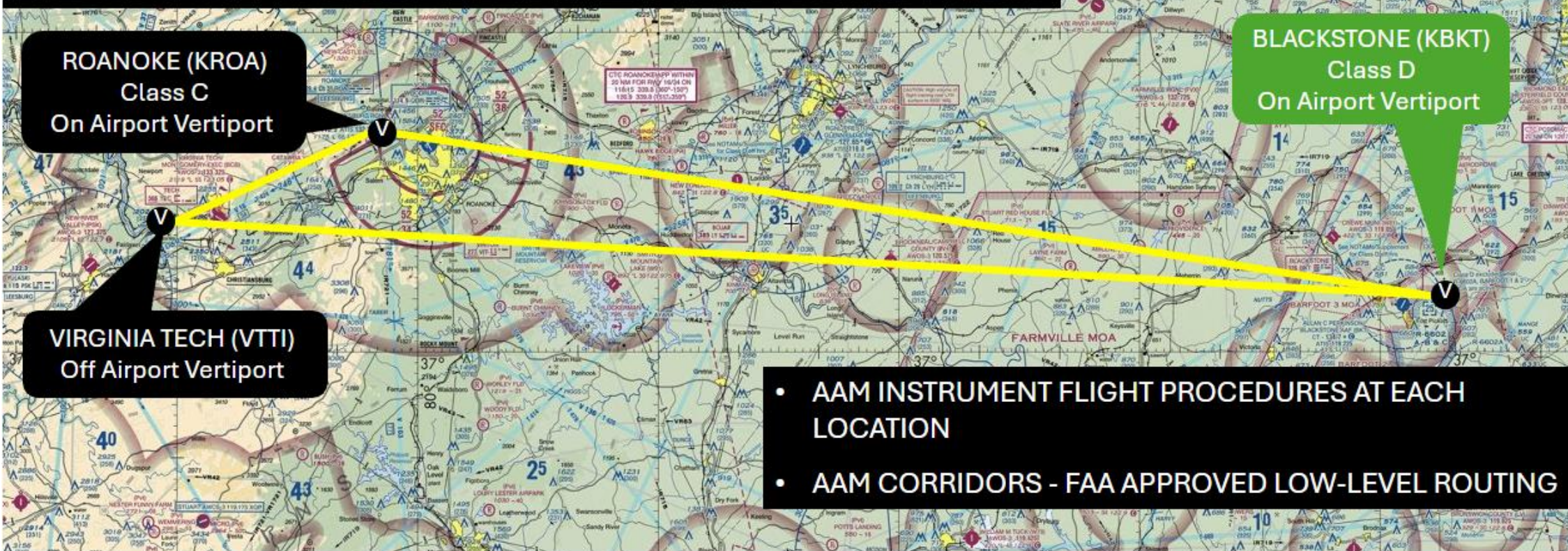
- ❖ An emerging concept for enhancing air transportation – potential to revolutionize the transportation industry:
 - ❖ ranges from small, uncrewed systems to multi-rotor, vertical and short take-off lift passenger and cargo vehicles;
 - ❖ piloted and autonomously controlled aircraft; and
 - ❖ potential to provide new, more affordable services not just to major markets but to all communities across the Commonwealth.



Advanced Air Mobility (JOBY Flight)



Virginia AAM Smart Airspace Program



Federal Aviation
Administration

Urban Air Mobility (UAM) Concept of Operations



UAM Airspace Research Roadmap
Rev 2.0

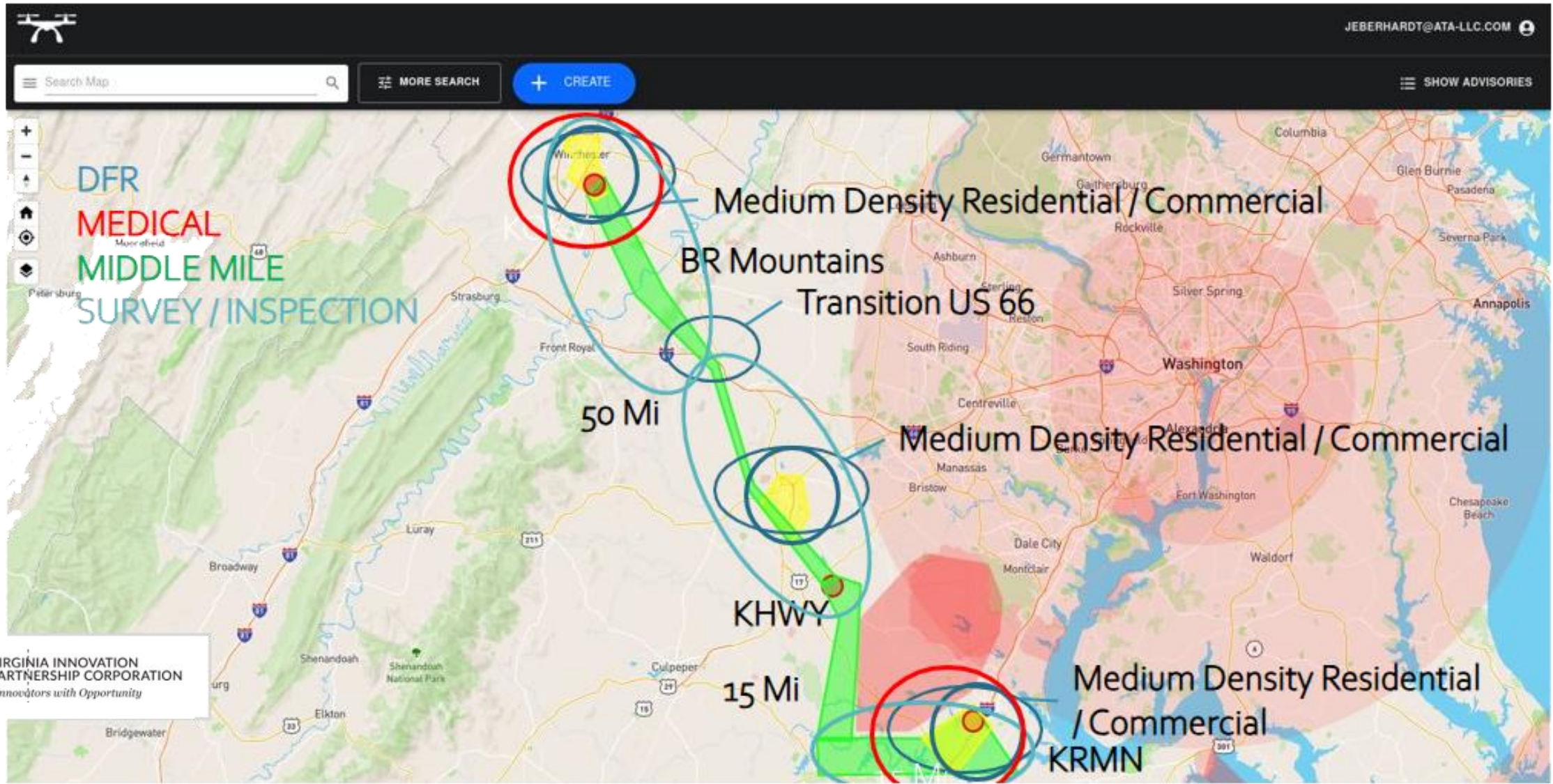


VIRGINIA TECH.

NAVOS AIR



Stafford-Warrenton-Winchester (SWW) Corridor

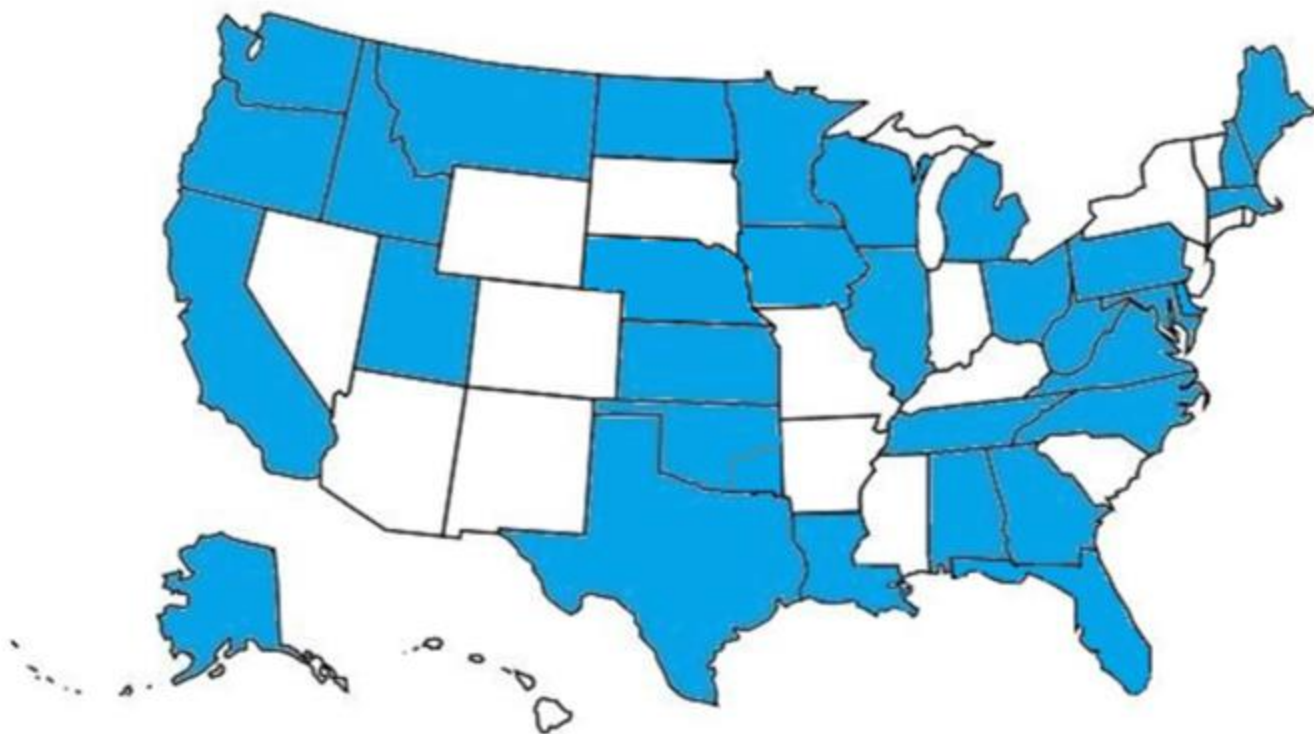


VIPC VIRGINIA INNOVATION PARTNERSHIP CORPORATION
Connecting Innovators with Opportunity



AAM Multi-State Collaborative

States Department of Transportation Members



- ❖ Formed in September 2023 – first meeting in Virginia
- ❖ Originally eight states
- ❖ Participation has grown to 33 states
- ❖ Purpose - foster and frame collaboration between the states as it pertains to AAM



Legislative Initiatives

Legislative Initiatives

HB 2022/SB 948 - Aircraft Registration System Modernization

- ❖ Allows for multi-year registration
- ❖ Eliminates the use of the aircraft decal
- ❖ First adjustment to the aircraft registration fee since 1979
- ❖ Supports modernization of aircraft registration process – switching to digital from manual



Legislative Initiatives

HB 1967 - Commonwealth Aviation Fund Formula Adjustment

- ❖ Modernizes state funding for Virginia's 65 public-use airports
- ❖ Updates airport **classifications** to **more accurately reflect airport roles**
- ❖ Provides for a more efficient funding distribution by **the Virginia Aviation Board**



THANK YOU



Visit DOAV



Dr. John Downey

President, Blue Ridge
Community College (BCC)





Virginia Aviation & Aerospace Caucus

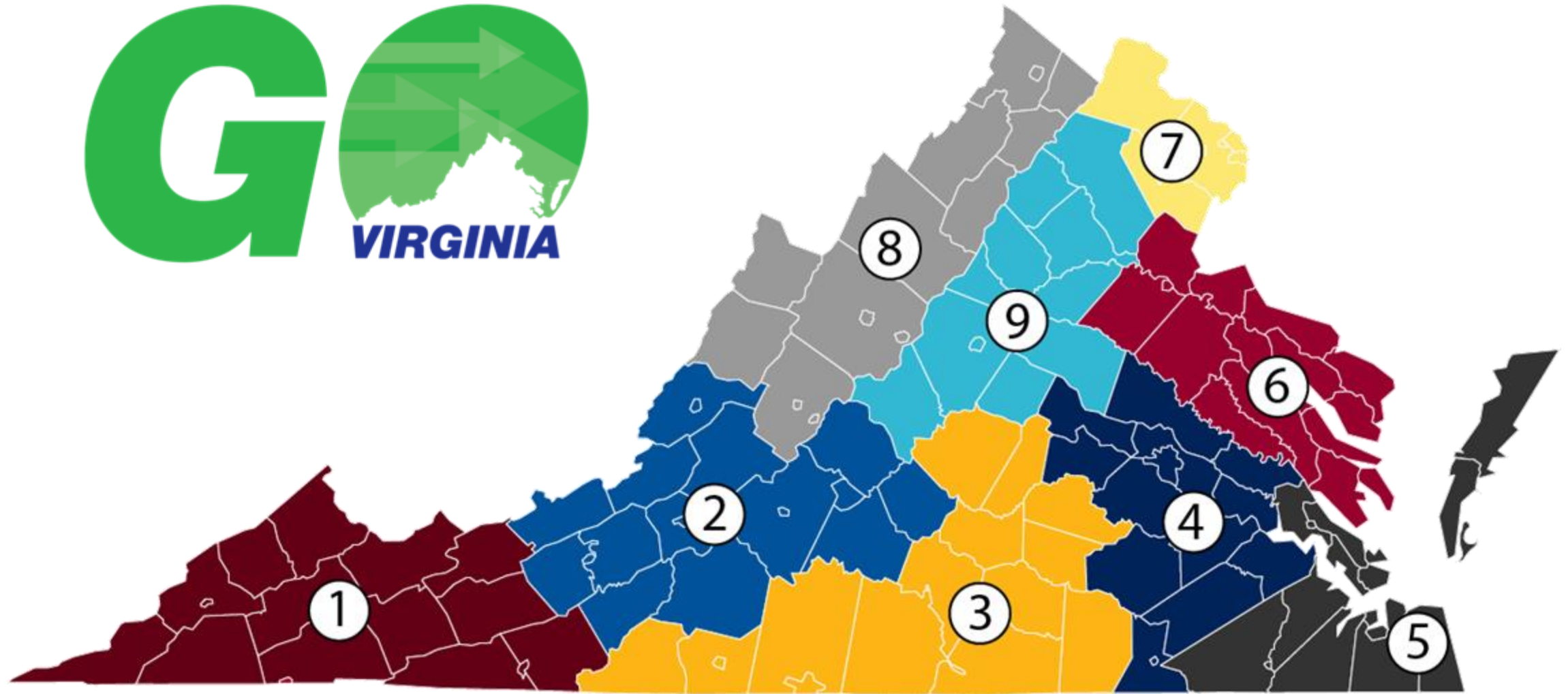
Dr. John Downey

President

Blue Ridge Community College

Virginia's Community Colleges





In terms of enrollment, VCCCS is the state's largest institution of higher education.

Last year VCCCS enrolled over 230,000 students, an increase of 4.3% over the previous year.



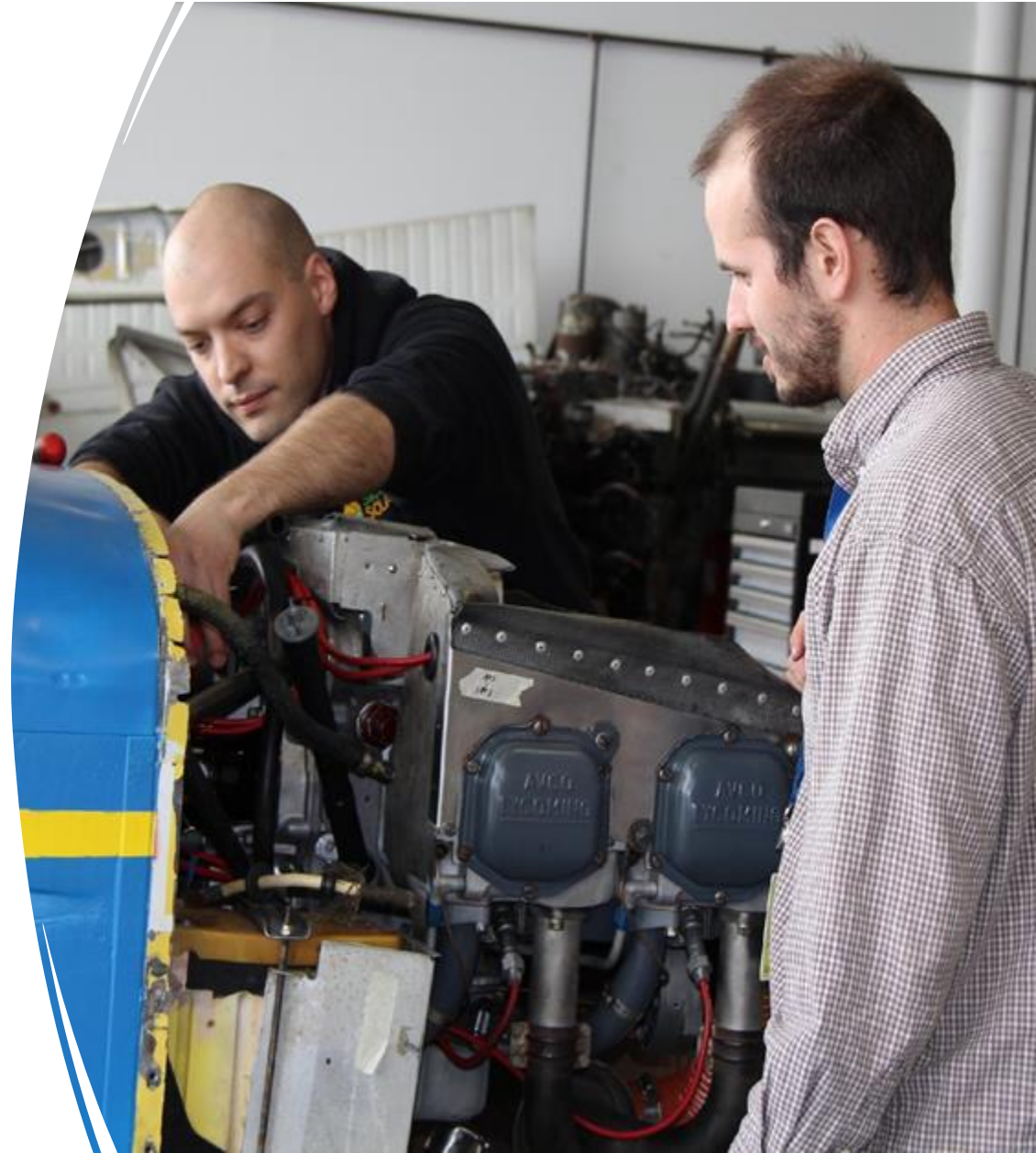
- Expand Virginia's workforce talent pipeline awarding 300,000 cumulative meaningful credentials by 2030 across all regions
- Build state-of-the-art career and technical programs and labs
- Fundamentally alter who we recruit and how
- Disrupt service delivery and optimize facility usage
- Focus on completion and on job placement



**STRATEGIC
PRIORITIES**



- Only publicly funded, FAA certified, AMT program in the Commonwealth today. Our efforts in Danville will result in the second publicly funded AMT program
- First FAA approved distance learning AMT program
- 30 to 55 students are enrolled. Program can be completed in one year or two
- Lower tuition than other institutions
- Supported by Shenandoah Valley Regional Airport, Dynamic Aviation, Virginia Department of Aviation, Virginia Aviation Business Association, Virginia Space Grant Consortium



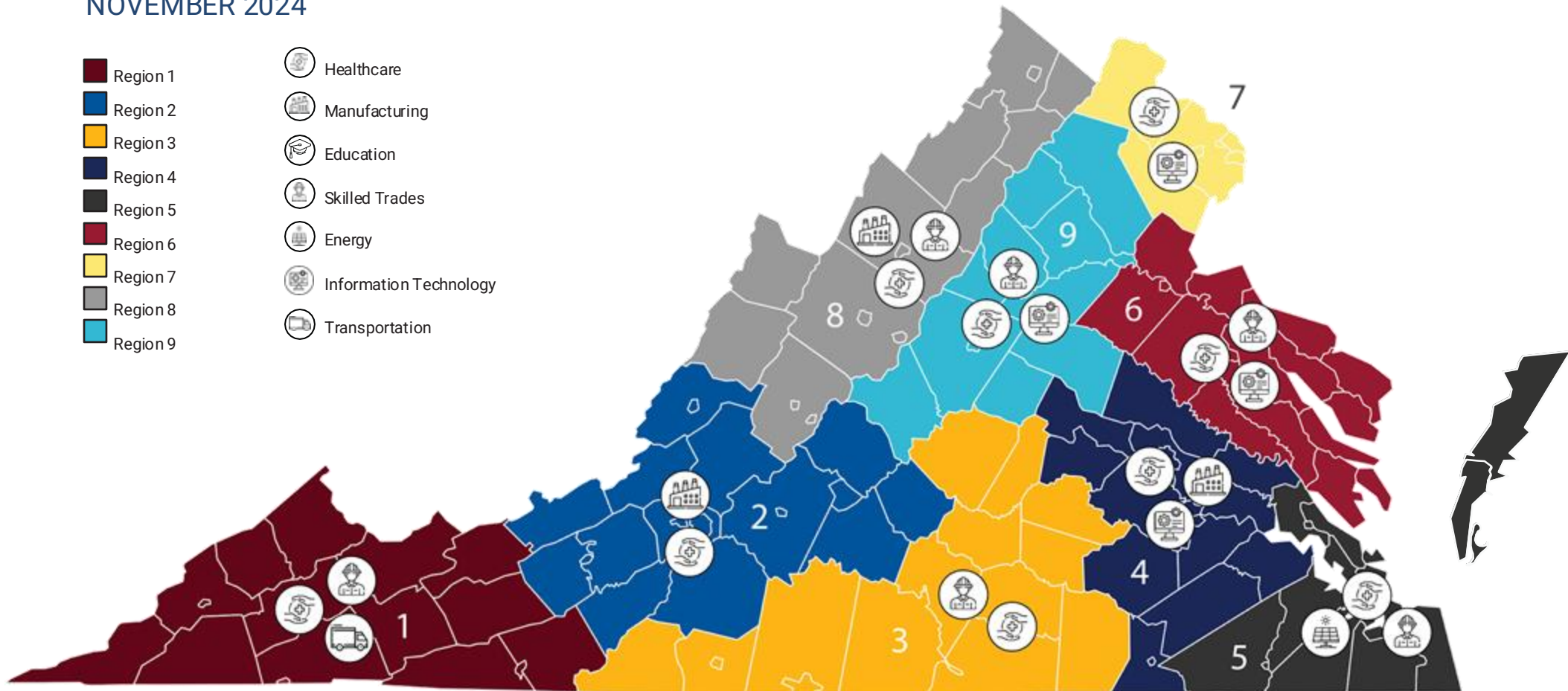


- Initiated FAA certification process in September 2023
- Program to launch in **Fall 2025**
- **Capacity to enroll 25 to 50 students per year**
- Program support to include 2 faculty and 1 lab technician
- Joined ATEC March 2024
- Partnering with Averett University, Danville Regional Airport Commission, City of Danville



Regional Education & Workforce Needs

NOVEMBER 2024





Thank You!

Michael Cooper

Manager of State and Local
Government Affairs,
Metropolitan Washington
Airports Authority (MWAA)



Virginia Residential Property Disclosure Act; required disclosures for buyer to beware; aircraft noise.

([HB1706/SB1210](#)): Advises homebuyers to assess airport proximity and noise impacts before purchasing. Authorizes the Department of Aviation to publish online noise maps provided by localities and airports in Virginia.

- **Transparency for Homebuyers:**

- Virginia operates as a "buyer beware" state, requiring buyers to gather information.
- Noise maps will empower buyers to make informed decisions.

- **Statewide Impact:**

- Applies to all Virginia airports, especially significant as Dulles Airport expands operations (currently at half capacity).
- Helps mitigate future noise complaints by setting expectations for buyers in established noise zones.

- **Collaborative Effort:**

- A compromise between Virginia Realtors and the Metropolitan Washington Airports Authority.
- Unanimously endorsed by the Virginia Housing Commission.



Review of Aviation Legislation and Budget Amendments

8:45-8:55

Bud Oakey, President of the VABA

Michele Satterlund, of Macaulay, Jamerson, Satterlund & Sessa Attorneys at Law

Bill Matrix

Bud Oakey

- Updated as of 4pm ET on Wednesday, January 15, 2025
- 15 Bills
 - Two additional budget amendments:
 1. Expand pathways to take students all the way to private pilot
 2. Create pilot program for Blue Ridge Community College and Danville Community College for Aircraft Maintenance Technician certification



VABA Legislative
Report 1-16-25



Federal Update 1 of 2

Michele Satterlund

2025 Funding for Local and State Law Enforcement and Local First Responders Transition from Drones Made By Foreign Adversaries:

- Budget items submitted by Virginia Senator Perry and Del. Krizek seek to allocate \$7.5 million for a one-time Unmanned Aircraft Trade and Replace Program, which will provide grants to state and local law enforcement, fire, and ambulance services to replace drones manufactured by foreign adversaries with compliant models.
- Eligible agencies must relinquish operable drones from foreign adversaries, with grants capped at \$25,000 per drone and funds restricted to purchasing replacements in compliance with federal law.



Federal Update 2 of 2

Michele Satterlund

- **The FY25 National Defense Authorization Act (NDAA)**, signed in December 2024, **includes Section 1709**, which mandates a national security agency to determine if DJI and Autel drones pose a national security risk. If deemed a risk, these entities will be added to the FCC's Covered List, prohibiting new certifications and making the operation of these new drones illegal, except for already licensed equipment. If a Security Agency does not make the determination, the requirement automatically goes into effect in January 2026.
- Budget proposals, including \$7.5M by Sen. Perry and Del. Krizek, aim to establish trade and replace programs for state and local agencies, mirroring similar initiatives in Florida (\$25M), North Dakota (\$15M), and New Jersey (\$10M).





Round Table Discussion with General Assembly Members

8:55-9:00





THE AVIATION, AEROSPACE,
& ADVANCED AIR MOBILITY
**LEGISLATIVE
RECEPTION**

Register Via the QR Code Below or Click [HERE](#):



Wednesday, January 29
5:30-8PM
Main Street Station
Richmond, Virginia





Adjournment

9:00 AM