

# Transportation Research Board Aviation Economics and Forecasting Committee (AV040)

## STRATEGIC PLAN

March 2015

**Mission:** To be a catalyst for encouraging and promoting research and analysis about current and future economic issues affecting the commercial aviation industry.

**Scope:** This committee is concerned with all economic and financial issues in commercial aviation relating to major air carriers and their employees, airports and operating authorities, the aerospace community, academic and other research organizations, air travelers and shippers, all levels of government and the general public. These concerns include the development and application of improved methodologies for forecasting commercial aviation demand and activity and the relationship of forecasting to system decisionmaking.

### **Goals:**

1. To foster and contribute to research on economic and financial aspects of commercial aviation activities, and on forecasting methodologies and results affecting commercial aviation.
2. To encourage communication and education within the aviation and transportation community about commercial aviation economic and financial research and forecasting.
3. To support the development of commercial aviation economic and financial research and forecasting that supports better state, local, and national commercial aviation policies and policymaking.
4. To identify emerging issues that may have significant commercial aviation economic and financial implications.
5. To promote cross-aviation and inter-modal collaboration, communication, and dissemination of research results within the Aviation Group, the TRB community and the transportation industry generally.

### **Strategies and Actions:**

1. Identify commercial aviation economic, financial, and forecasting research needs and advocate for conducting this research and developing syntheses for these research areas.
  - Prepare research needs statements for the TRB Research Needs Database.
  - Prepare research problem statements for Airport Cooperative Research Program (ACRP).
  - Identify ongoing ACRP research projects of most interest to the committee and coordinate with TRB staff to provide status update at the TRB annual meeting.
2. Solicit and review papers on commercial aviation economic, financial, and forecasting issues for TRB publication and presentation.
  - Solicit committee members for paper topics to be considered for annual call for papers.
  - Choose and develop topics for annual call for papers, as appropriate.
  - Assign committee members and friends to review submitted papers.
  - Choose papers for presentation and publication.

3. Communicate activities of the Committee and commercial aviation economic, financial, and forecasting research findings, ongoing research, and related information using various activities and peer exchanges.
  - Sponsor article in TRNews representing issues of note to the Committee.
  - Provide at least two updates each year with information about the committee and its activities, including research topics and annual meeting sessions.
  - Hold quarterly meetings with members and friends to accomplish Committee business, solicit input on upcoming activities, and share information.
  - Submit content to Aviation Group newsletter.
  - Maintain a comprehensive e-mail list of members and friends through MyTRB and an accurate and complete set of meeting minutes on the Committee website.
  - Hold virtual mid-year meeting for all members and friends to discuss activities and relevant research of interest.
  - Develop a communication strategy in concert with the Aviation Group and interests of the Committee.
4. Create and sponsor sessions on commercial aviation economic, financial, and forecasting issues at annual TRB meetings and other forum, and actively seek to co-sponsor sessions on topics of interest to the Committee.
  - Solicit topics for annual meeting conference sessions.
  - Coordinate with other Aviation Group Committees for topics of mutual interest for co-sponsoring opportunities
  - Select topics and create annual meeting sessions.
  - Explore poster session opportunities based on paper submissions and create as needed.
  - Arrange brief presentations at committee meetings based on paper submissions and member contributions.
5. Promote participation in committee activities with a diverse membership and a large network of friends.
  - Review committee membership and rotate members based on participation, requests for membership, needs of the Committee, and diversity.
  - Consider opportunities to link to other Aviation and non-Aviation Committees in conference sessions and papers to attract new members/friends.
6. Serve as a clearinghouse and resource through cooperative approaches with related TRB committees and organizations so the transportation community knows the full range and crosscutting nature of commercial aviation economic, financial, and forecasting research, and the committee is informed about activities of related TRB committees and organizations.
  - Seek co-sponsoring opportunities with other TRB committees for sessions and events.
  - Hear liaison reports from members working with other TRB committees and organizations to identify joint opportunities and to keep the committee informed of activities of other groups.
  - Identify TRB committees and other organizations needing liaison and identify liaison volunteers.
7. Identify opportunities to establish and develop subject matter specific subcommittees to assist in focusing the various activities of the committee.
  - Continue to develop Air Cargo Subcommittee through membership and topic specific activities (articles, papers, panel sessions and workshops).
  - Identify topic areas for consideration as subject matter specific subcommittees.
  - Seek committee members to serve as subcommittee Chair.
  - Seek committee members and friends to serve on the subcommittee
  - Develop work plans for subcommittees and report back to the full committee for review and

concurrency.

### **Recent Activities:**

#### **2013 Sessions**

- Air Transportation Networks: Connectivity and Productivity
- Airline Industry Restructuring
- Air Carrier Responses to Capacity, Delay, and NextGen Technology Issues
- Commercial Air Transport: Prospects for the Far Future
- Challenges in Forecasting and Analyzing Air Cargo Traffic and Performance
- Cosponsored sessions on Current Issues in Aviation, UAS, airports of the future, and carbon accounting

#### **2014 Sessions**

- Economic Deregulation of Airlines: A Promise Realized?
- Demographic and Socioeconomic Factors in Forecasting Aviation Passenger Activity
- Economics of Fleet Planning
- Airline Consolidation: Impacts on Stakeholders and the Industry
- Cosponsored sessions on Current issues in Aviation, ATC privatization, big data, and Airports 101

#### **2015 Sessions**

- International Aviation and Global Connectivity
- Securing the Air Cargo Value Chain
- Impacts of Airline Consolidation on Airport System Planning
- NextGen Workshops Parts 1 and 2
- Cosponsored sessions on Current issues in Aviation, Airline Consolidation, Emerging Research in Aviation, International Aviation Issues, UAS, Spaceports, ADA in Airports, MH370, and Climate change.

## **SELF-EVALUATION OF COMMITTEE ACTIVITIES**

### **COMMITTEE NAME AND NUMBER:**

Light Commercial and General Aviation, A1J03

### **COMMITTEE CHAIRPERSON**

Gerald S. McDougall

### **DATE:**

#### **1. Committee Scope:**

Existing statement: This committee will consider government and industry matters of use of the light aircraft component of commercial aviation, comprising short-haul operations with turbopropeller and piston-engine aircraft, and all aspects of general aviation – including forecasting, economics and financing, operations and maintenance, and facility and equipment development and manufacturing, both fixed- and rotary-wing at national, state, regional and local levels.

Revised statement under review: This committee will consider publicly and privately supported research and public policy as applied to the light aircraft component of commercial aviation, consisting of short-haul operations commonly known as regional and/or commuters, and all aspects of general aviation – including fixed- and rotary- wing and other vertical lift vehicles powered by turbofan, turbprop, turboshaft or piston engines. Committee activities are centered on the various aspects of demand forecasting (recognizing the impact of technology advancements and other structural changes affecting the industry), fleet growth and utilization, economics and financing, operations and maintenance, safety, facilities and equipment and development, and agencies, users, and user associations, and equipment manufacturers. Subcommittee: (1) civil vertical flight aviation, (2) business aviation, and (3) regional and commuter airlines.

#### **A. Date that the committee last considered scope.**

The current scope statement was reviewed in 1997. The statement is currently under review because of changes in technology, changes in industry structure, and changes in the economics of light commercial and general aviation.

**B. Does the Current scope statement accurately reflect the committee's activities? Should the scope be modified?**

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No, the current scope statement does fully and accurately reflect the committee's activities.

Yes, the scope statement should be modified as presented above (See Section #1).

**C. What changes are proposed and why are these changes necessary?**

The proposed revisions to the scope statement are presented in the alternative statement presented in Section #1, above. As noted, there have been significant technological advances, changes in market structures and institutions, changes in industry structure that make the current statement inaccurate and obsolete. The revised statement captures the changes that have occurred over the past ten years in the light commercial and general aviation sectors and the revised statement reflects the evolution that has occurred in the nature of the discussions that take place during the meetings of A1J03 and its subcommittees.

**2. Committee Goals**

**A. Current Goals:**

A1J03 has the following goals:

1. Provide a forum at least twice each year for the constituencies affiliated with or affected by the light commercial and general aviation to discuss public policy and economic issues affecting the light commercial and general aviation industry and to assess the outlook for light commercial and general aviation activities.
2. Provide, as appropriate, comments and opinions on matters affecting the light commercial and general aviation industries, including (a) the impact of state, regional, national and international policy, (b) the state, regional, national and global economic and market conditions, (c) the outlook for light commercial and general aviation activities, and (d) the impact of technological advances.
3. Meet responsibilities, as shared with A1J02, for the planning, organizing and conducting the FAA/TRB biennial Aviation Forecast Workshop (International Workshop on Future Aviation Activities). The next FAA/TRB biennial International Aviation Forecast Workshop should be scheduled for mid-September, 2001, with planning beginning now.

4. Through the committee activities undertaken to achieve goals #1 through #3, promote a better and more comprehensive understanding of the role and contributions of the light commercial and general aviation sectors in providing efficient, safe, and wealth-creating national and global transportation systems, with special attention given to the role and contributions of light commercial and general aviation in providing an efficient, safe and wealth-creating national air transportation system.

### **B. Identify Planned Activities to achieve stated goals**

1. Plan, organize and conduct two committee meetings each year (in January, in conjunction with the annual meeting of the Transportation Research Board, and in June) with discussions focused on public policy, economic and market conditions, technological change, and forecasting future light commercial and general aviation activity.

2. Working cooperatively with A1J02, plan, organize and conduct the FAA/TRB biennial International Aviation Forecast Workshop (scheduled for 12-14 September, 2001).

3. Promote research opportunities for those interested in researching the light commercial and general aviation industry. Related to this,

4. Promote opportunities for those researching the light commercial and general aviation industries to propose papers for presentation to and possible publication by the Transportation Research Board.

### **3. Committee Organization and Membership**

#### **A. Number of members at current time?**

25 (counting Chair) as of 5/2/2000

#### **B. Geographical distribution (nationally and worldwide)**

3 members from the West and Southwest  
3 members from the Midwest  
3 members from the South  
9 members from the East and Northeast  
5 international members (4 Canadian, 1 Italian)

This distribution is based on mailing addresses noted on the 5/2/2000 membership list.

**C. Professional category distribution (how current membership is distributed across professional affiliations.**

- 9 original equipment manufacturers
- 4 suppliers (engines, avionics, other components)
- 6 consultants
- 2 academics
- 2 association representatives
- 1 commercial airline representative

This distribution is based on titles/organizations noted on the 5/2/2000 membership list.

**D. Number of friends listed as associated with the committee?**

Because the work of A1J03 is accomplished through the activities of its subcommittees, data on the number of “friends” are presented by subcommittee.

A1J03(1), Vertical Flight: 48 friends: 7 government, 9 original equipment manufacturers, 14 suppliers, 13 consultants, 1 academic, 4 association representatives; 10 international, 23 East/North East, 3 South/South East, 4 Midwest, 8 West/Far West.

A1J03(2), Business Aviation: 61 friends: 6 government, 19 original equipment manufacturers, 19 suppliers, 12 consultants, 2 academics, 2 association representatives, 1 operator; 15 international, 17 East/North East, 6 South/Southeast, 16 Midwest, 6 west/Far West.

A1J03(3), Regional and Commuters: 60 friends: 4 government, 9 original equipment manufacturers, 19 suppliers, 18 consultants, 2 academics, 2 association representatives, 6 commercial operations; 18 international, 26 East/North East, 4 South/Southeast, 5 Midwest, 7 West/Far West.

It should be noted that some individuals are friends to more than one subcommittee.

**E. Level of individual member involvement?**

Individual member involvement is high, working through the subcommittee structure of the committee. This structure allows members and friends to participate where there is particularly strong interest. A1J03 is recognized for holding meetings and programs that generate strong attendance, lively discussion, and results focused on the scope and goals of A1J03.

## **F. Committee Morale?**

Committee morale is judged to be high. This judgment is based on (1) the level of attendance at the annual and midyear meetings that have been held each year over an extended period of time (the current Chair's history dates from 1969), (2) the active discussions that take place, and (3) the results of these discussions. In regard to the latter, this is exemplified by the forecasts generated by each subcommittee and the assistance provided to the FAA in refining FAA forecasts of aviation activity.

## **G. List subcommittees and their chairs**

A1J03 (1) Vertical Flight, Chair: David Lawrence

A1J03(2) Business Aviation, Chair: Gerald S. McDougall (interim)

A1J03(3) Regional and commuter, Chair: Tulinda Larsen

## **4. Paper Review:**

01-3101 "Air Travel Passenger Demand Responses to Free Flight Technologies and the Impact on Carbon Emissions"

00-0572 "Fractional Ownership: New Approaches...."

## **5. Interaction with Other TRB Committees and Technical Societies**

A. n/a

B. n/a

C. A1J03 shares responsibility with A1J02 for the planning, organizing and conduct of the FAA/TRB biennial Aviation Forecast Workshop.

## **6. Business Meeting Attendance**

A. Annual business meeting attendance:

January 1998: 18

January 1999: 36

January 2000: 25

B. Summer business meeting attendance:

June 1998: 33

June 1999: 21

June 2000: 27



## **7. Annual Meeting Sessions Sponsored**

### **A. Number of annual meeting paper sessions sponsored?**

**A. Paper Sessions.** Traditionally, A1J03 in conjunction with A1J02, sponsors a paper session every-other-year, reporting out results from the FAA/TRB biennial International Aviation Forecast Workshop.

**B. Conferences.** Traditionally, A1J03 in conjunction with A1J02 has sponsored the FAA/TRB biennial International Aviation Forecast Workshop. The previous workshop attracted 120 participants from North America and Europe. The FAA provides a draft of their coming year forecast and relies on this workshop as a check on key assumptions and trends and to ensure all elements/issues are adequately considered. Hardcopy of the workshop report is provided to all participants at both the FAA's major forecasting conferences (e.g., Commercial and General Aviation forecast conferences).

## **8. Identify Additional Activities Sponsored During the Past Year**

n/a

## **9. Identify Additional Activities Scheduled for the Next Year**

n/a

## **10. Technology Transfer**

### **A. Is the committee planning to publish documents within the next two years?**

Yes, TR Circular, Proceedings of the FAA/TRB biennial aviation workshop (*Future Aviation Activities, 12<sup>th</sup> International Workshop*, anticipated for September 2001)

### **B. Workshops Proposed.**

FAA/TRB biennial International Forecast Conference (Future Aviation Activities, 12<sup>th</sup> International Workshop, scheduled for September, 2001)

**C. Conference Proposed.**

N/A

**11. Research Needs (Developing Area in Group 1)**

**A. Please list your most recent submissions of Research Problem Statements (RPS).**

N/A

**B. Number of Research Problem Statements developed in the last year?**

None

**C. Number of Research Problem Statements under development?**

None

**D. Number of Research Problem Statements funded during the last three years?**

None

**12. Please Detail the Proposed General Committee Directions for the Next Three Years.**

A1J03 will continue to develop programs organized around the January and June business meetings. These programs will bring together practitioners, consultants, academics, and government representatives to discuss research, issues and policy affecting the light commercial and general aviation sectors. These discussions are particularly important because of the unprecedented growth observed in the light commercial and general aviation sectors over the past ten years, the significant changes taking place in the light commercial area (e.g., introduction of regional jets, the development of alliances between regional carriers and national and international carriers, increasing capacity issues arising with the national air traffic system) and general aviation (e.g, the development of fractional ownership and the unknown impact of this institution on this sector's resilience to an economic downturn; capacity limitations with OEM's, the increasing development of alliances to share in research and development, increasing certification requirements, and a changing regulatory environment both nationally and globally). With the technological, economic, and regulatory changes taking place, A1J03, working through its subcommittee structure, will enhance efforts to understand and anticipate the impact of the changes occurring so that this information can be shared, as appropriate, with the constituents affiliated with or affected by the light commercial and general aviation sectors. Committee members

believe there will be serious policy questions arising with the increasing demands being placed on our nation's air traffic control system. A1J03 must be prepared to offer whatever advice and counsel is requested and appropriately given.

**13. General Remarks and Comments Offered by the Committee**

**A. Should your committee continue in its present form with its present title?**

Absolutely, yes.

**B. Should it be reoriented, restructured or retitled?**

No.

**C. Should it be merged with one or more other committees?**

No.

**D. Does the existing Section under which the committee is organized consist of the proper committees and is its title appropriate?**

Yes.

**E. Any other comments considered appropriate by the committee?**

None