

*Bob Dole*



**NEWS**

**U.S. SENATOR FOR KANSAS**

**FROM:**

**SENATE REPUBLICAN LEADER**

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## **GENERAL AVIATION LIABILITY**

### **SENATE APPROVES GENERAL AVIATION REVITALIZATION BILL**

WASHINGTON -- THE U.S. SENATE WEDNESDAY MORNING BY A VOTE OF 91-8 APPROVED LEGISLATION AUTHORED BY SENATOR NANCY KASSEBAUM AND SUPPORTED BY SENATOR BOB DOLE TO PROVIDE RELIEF TO THE GENERAL AVIATION INDUSTRY FROM THE INCREASED COSTS ASSOCIATED WITH PRODUCT LIABILITY. SENATOR DOLE'S STATEMENT ON THE KASSEBAUM LEGISLATION FOLLOWS:

I RISE IN SUPPORT OF MY DISTINGUISHED KANSAS COLLEAGUE, NANCY KASSEBAUM, AS AN ORIGINAL CO-SPONSOR THIS IMPORTANT LEGISLATION THAT IS DESIGNED TO REVITALIZE THE GENERAL AVIATION INDUSTRY. SINCE THE 99TH CONGRESS, WE HAVE BEEN ATTEMPTING TO OBTAIN SOME FORM OF RELIEF THAT ADDRESSES A SERIOUS PROBLEM CONFRONTING THIS IMPORTANT NATIONAL INDUSTRY.

THE GENERAL AVIATION INDUSTRY HAS PAID THE PRICE IN RECENT YEARS BECAUSE OF THE DRAMATIC INCREASED COSTS ASSOCIATED WITH PRODUCT LIABILITY. THIS LEGISLATION IS A COMMON SENSE APPROACH. IT MAKES NO SENSE FOR THE GENERAL AVIATION INDUSTRY TO BE PENALIZED BY THESE OUTRAGEOUS INCREASES SINCE THEY HAVE OCCURRED DURING A PERIOD WHERE THE SAFETY RECORD OF GENERAL AVIATION HAS GREATLY IMPROVED.

#### **EFFECT ON KANSAS**

IN KANSAS, ESPECIALLY IN WICHITA, WHERE BEECH, CESSNA AND LEARJET COMPANIES MANUFACTURE AIRCRAFT, THE EFFECT OF CONGRESSIONAL INACTION HAS BEEN DRAMATIC. IN 1992, A TOTAL OF 899 GENERAL AVIATION AIRCRAFT WERE DELIVERED -- REPRESENTING A DECLINE OF 6.7 PERCENT FROM 1991. OF THOSE AIRCRAFT DELIVERIES, THE WORLD EXPORT MARKET ALSO SHOWED A FIVE PERCENT DECLINE. CONTRAST THAT TO 17,000 GENERAL AVIATION AIRCRAFT SOLD IN 1979. ALTHOUGH 1993 AIRCRAFT DELIVERY FIGURES EDGED UP SLIGHTLY, IT IS CLEAR TO ME THAT THE INDUSTRY IS NOT EXPERIENCING NEW AND ROBUST HEALTH IN THE CURRENT ENVIRONMENT.

LIABILITY PAYMENTS BY MANUFACTURERS, ON THE OTHER HAND, ROSE FROM \$24 MILLION IN 1979 TO APPROXIMATELY \$240 MILLION IN 1990. U.S. AIRPLANE MANUFACTURING EMPLOYMENT HAS DECLINED SINCE 1980 BY 46 PERCENT -- FROM 40,000 WORKERS TO APPROXIMATELY 21,500 TODAY.

THE RESULT IS LOST JOBS, LOST AIRCRAFT SALES, AND LOST EXPORT MARKETS. IN ADDITION, THESE LOSSES ALSO CREATE ADVERSE AFFECTS ON OTHER INDUSTRIES THAT RELY ON A HEALTHY AIRCRAFT MANUFACTURING MARKET.

#### **REASONABLE, SENSIBLE AND FAIR SOLUTION**

THIS APPROACH, THE CREATION OF A EIGHTEEN YEAR STATUTE OF REPOSE ON CIVIL ACTIONS BROUGHT AGAINST AIRCRAFT MANUFACTURERS OR PRODUCERS OF GENERAL AVIATION PARTS IS DIFFERENT FROM OUR PREVIOUS EFFORTS AND REPRESENTS A REASONABLE, SENSIBLE AND FAIR SOLUTION FOR ALL CONCERNED. THIS LEGISLATION IS SUPPORTED BY MANUFACTURERS, CONSUMERS AND LABOR. IT WAS RECOMMENDED BY THE PRESIDENT'S COMMISSION TO ENSURE A STRONG COMPETITIVE AIRLINE INDUSTRY. IN FACT, CESSNA AIRCRAFT COMPANY IN WICHITA HAS MADE NO SECRET OF THE FACT THAT IT WILL IMMEDIATELY HIRE WORKERS TO BEGIN PRODUCTION OF PISTON-POWERED AIRCRAFT AS SOON AS THIS LEGISLATION IS PASSED.

IN FACT, THIS APPROACH WILL CREATE THOUSANDS OF HIGH WAGE JOBS IMMEDIATELY SIMPLY BY BRINGING COMMON SENSE TO THE PRODUCT LIABILITY LAWS AFFECTING GENERAL AVIATION. NOT ONE FEDERAL DOLLAR IS NEEDED TO GET THIS RESULT. AND MOST IMPORTANTLY, THIS IS NOT A BLANK CHECK FOR RELIEF.

I WANT TO CONGRATULATE SENATOR KASSEBAUM ON HER EFFORTS TO BRING THIS IMPORTANT ISSUE TO THE FLOOR FOR A VOTE TODAY. ENACTMENT OF THIS LEGISLATION IS LONG OVERDUE, AND HER EFFORTS HAVE BEEN TIRELESS AND COMMENDABLE.

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