

January 14, 2020

Senate Budget and Taxation Committee
Miller Senate Building, 3 West Wing
111 Bladen St.
Annapolis, MD 21401

Testimony: SB 121

Thank you, Chairman, for allowing my testimony before the Senate Budget and Taxation Committee. My name is Calvin Peacock. I am a retired airline pilot who presently serves as Chairman of the Salisbury-Ocean City: Wicomico Regional Airport Commission and is serving a second term as one of the Commissioners on the Maryland Aviation Commission. I have over 53 years' experience in aviation and have been based in Maryland during my entire aviation professional life.

You have already heard or will hear testimony from Dawn Veatch, Manager of the Wicomico Regional Airport and Aircraft Owner and Pilot Association (AOPA) citing statistics on the effect of the current sales tax on aviation maintenance parts which makes Maryland less competitive in aviation maintenance than its neighboring mid-Atlantic states. The effect, as I have seen first-hand, is that aircraft owners in Maryland will select aviation maintenance facilities in one of the surrounding states, allowing them to save paying the sales tax on the parts installed in their aircraft. If enough of this occurs, Maryland aviation maintenance businesses will experience lost revenue and job losses instead of business growth and job increases.

I would like to add another dimension to the discussion – aviation education resulting in jobs in Maryland. An article in Boeing's Pilot and Technician Outlook (<https://www.boeing.com/commercial/market/pilot-technician-outlook/>) projects a need of 804,000 new civil aviation pilots and 769,000 new maintenance technicians in the next 20 years beginning in 2019. Aviation training colleges/universities in the surrounding states are very

aware of the need and are aggressively recruiting students for their institutions.

In my research, I found two aviation maintenance programs at local colleges; one in Hagerstown and the other in Fredrick. In addition, there are aviation sciences and pilot training programs in the Community College of Baltimore County (CCBC) and the University of Maryland Eastern Shore (UMES). On the most basic level, these aviation learning institutions are competing at a higher cost of operation compared with the aviation training programs in Delaware, Virginia, Pennsylvania and the rest of the surrounding aviation maintenance tax free states in the purchase of parts for the upkeep of their training equipment and aircraft. Also, many of the students graduating in the aviation sciences programs will be on a professional track to become airport managers. These graduates/future airport managers will need all the tools this state can give them to make their Maryland Airport successful in attracting businesses and jobs. Dawn Veatch has outlined her struggles in attracting business in part because the lack of a maintenance facility the Salisbury-Ocean City: Wicomico Regional Airport.

The State of Maryland has four schools of higher learning that are graduating students skilled in aviation mechanics/technicians, pilots, aviation managers and other aviation skills. Shouldn't Maryland be creating an environment in which these graduates can find jobs here before anywhere else?