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# Will General Aviation Climb, Descend Or Hold Altitude In The Months Ahead?



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GA airplanes gathered at the EAA's annual AirVenture convention in Oshkosh, WI EAA PHOTO - CRAIG VANDERKOLK

If you're even mildly curious about the small, private aircraft which populate our skies – what the public, government and industry call General Aviation – then you've likely heard of "Oshkosh."

The Wisconsin city is synonymous with the annual weeklong AirVenture airshow convention held by the Experimental Aircraft Association (EAA). Oshkosh draws 10,000 aircraft and 600,000 visitors from around the world each July.

But on May 1, the EAA announced the cancellation of AirVenture due to the coronavirus pandemic, breaking a 68-year run and signaling the loss of an estimated \$170 million in economic activity to a five-county region, according to the *Wisconsin State Journal*.

The announcement puts a real and symbolic stamp on the struggles that general aviation is facing and could be considered an indicator of its potential to stay aloft or spiral down. The decision to cancel AirVenture was difficult EAA CEO, Jack J. Pelton, says.

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"It was a very tough decision ... We really have to get cranked up in May [for AirVenture]"

and our stay-at-home order is still all the way through Memorial Day.”

The need to have infrastructure in place to support the massive gathering joined uncertainties about social distancing and the possibilities of a phased re-opening of Wisconsin in the EAA's calculus. The factors driving the decision to cancel Oshkosh mirror broader concerns in General Aviation.

Can it fly?

### **Ground Bound Airplanes & Businesses**

Despite the national paralysis, COVID-19 hasn't put a stop to GA flying. Federal regulations require private pilots to maintain proficiency to fly safely, so their flying activity has been deemed “essential”. But the number of airplanes flying is definitely fewer.

As of May 4, aggregate air traffic in the U.S. (airline, business, GA) was down by 65 percent compared to the pre-March level, according to the FAA. You might expect that most of the decline is the result of airlines parking their planes, but that's not the case. Airlines carry the overwhelming majority of passengers in America but they represent fewer annual flight hours (17,861,298) than GA aircraft (25,212,000) and a smaller proportion of overall aircraft movements.

“There are only about 10,000 airliners in the country and there are over 200,000 general aviation airplanes,” says Tom Haines, senior vice president of media and communications for the Aircraft Pilots and Owners Association (AOPA).

Haines adds that currently, there are about 30 percent fewer GA operations than normal. The slowdown is evident at flight schools, many of which have suspended training following state guidelines. It's simply not possible to socially distance in the cockpit of a Cessna 172 or Diamond DA40 training aircraft.



Diamond DA40 in flight DIAMOND AIRCRAFT

The health of the aerospace companies that build GA aircraft, parts, avionics and more is an issue, one that EAA has heard about from the many vendors who display their wares at AirVenture annually Pelton acknowledges.

“They've had some pretty sobering stories about the immediate impact of shutdowns on their businesses. We have a serious issue with a lot of the smaller companies who aren't as well capitalized. How long can they keep their hatches battened and still be in business?”

AOPA's Haines has heard concerns as well, based as much on coronavirus mitigation as

on demand.

“There’s not a shortage of work for the maintenance shops. The problem is an inability to set up their shops so that people can maintain social distancing.”

The broader economy will weigh on GA pilots, aircraft owners, and students as well. Looking across the aviation sector, Teal Group analyst, Richard Aboulafia, acknowledges that the immediate future looks to be a rough one.

“We’re probably going to have absolute carnage for 18 to 36 months.”

His assessment dovetails with one from New York-based Alton Aviation Consultancy. Alton’s Adam Cowburn projects a significant negative impact on GA from the macroeconomic malady that COVID has wrought.

“General aviation activity levels – which can be measured by hours flown and fuel consumption – have historically tracked very closely with overall economic activity. During the last major correction arising from the late 2000’s financial crisis, such measures dropped by more than 25 percent from peak to trough.”

### **Relief and The Will To Fly**

While the American economy has undeniably slowed, there is nothing fundamentally different about GA today than five months ago. The planes, skills, businesses and passion remain in place.

The FAA and the federal government recognized the need to help the sector early. As part of the CARES Act, \$100 million in grant aid was earmarked for GA airports to sustain the places from which small aircraft fly and the people who work at them. The grants are meant to help the airports stay afloat for three to four months until the economy begins to restart. The help is vital Tom Haines affirms.

“The airlines serve about 500 airports but there are 5,200 public-use airports across the nation. They provide the on and off ramps to the national transportation system. They connect small communities to larger airports. They’re economic engines, conduits to medical services, transport and care.”

The grants generated controversy in April with disproportionate amounts being allocated some airports but the FAA has reversed course on most of these. It’s also offering relief to pilots whose medical certifications were expiring in March, deferring examination requirements through June 30. The Agency has likewise deferred some time-bound training requirements for pilots (flight reviews, instrument currency) though it has been less clear about leeway for the annual aircraft inspections that GA aircraft owners must have done.

Federal aid has so far helped prevent parts/supply shortages though AOPA admits this may also be due to stalled demand. Like others Tom Haines can’t help but compare the coronavirus shutdown with the Great Recession of 2008-2009.

At the time, one-in-five business airplanes were for sale on the used market. In early May that number is in the single digits percentage-wise and similar for GA aircraft.

“People don’t appear to be selling their airplanes.”

Richard Aboulafia makes another comparison.

“What happened in 2008 was a financial and equities markets collapse. Main Street did okay relatively. Here we’ve got financial markets doing bizarrely fine. It’s main street that’s getting hit.”

Given that much of the GA population is intertwined with the markets, it may be a hopeful sign. As to whether general aviation will climb, descend or hold altitude in the

months to come, Aboulafia says he suspects the last.

“I’ll go with hold altitude.”

GA could hold steady and possibly pull its nose up if the economy shows signs of reawakening, Haines says.

“I think it will vary by region. We know that pilots have this pent-up demand to get out and fly again and see their friends at the airport.”

Jack Pelton says EAA is taking the cancellation of AirVenture as an opportunity to revamp the infrastructure at Oshkosh to prepare for the next 60 years. EAA will continue online outreach and small events nationally as the situation permits. He’s hopeful that GA will find the bottom this summer and ascend.

“We’ve descended to the MEA [Minimum En Route Altitude]. Going forward I see a climb.”



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