



03/27/2017

## Aviation Group Client Update

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### FEDERAL AVIATION ADMINISTRATION FORECASTS CONTINUED GROWTH IN AIR TRAVEL

On March 21, 2017, the FAA released its [Aerospace Forecast 2017-37](#), which projects sustained and continued growth in nearly every aspect of air transportation from general aviation private flying to large commercial airline passenger levels.

Aviation growth in commercial air travel is measured through Revenue Passenger Miles (RPMs), which represents one revenue passenger traveling one mile. The FAA forecast calls for system RPMs by mainline and regional air carriers to grow at an average rate of 2.4 percent per year between 2016 and 2037, with international RPMs projected for average annual increases of 3.4 percent per year. System RPMs are forecast to increase 65 percent during the 20-year forecast.

The general aviation fleet is projected to increase from 209,905 aircraft in 2016 to 213,420 in 2037, growing an average of 0.1 percent a year. For fixed-wing turbine aircraft, the growth will be at a rate of 1.9 percent per year, while fixed-wing piston aircraft will decline at a rate of 0.8 percent per year. Rotorcraft will grow at a rate of 1.6 percent per year. General aviation hours flown is forecast to increase from 24.6M in 2016 to 29.9M in 2037, an average annual growth rate of 0.9 percent a year.

The FAA projects growth in both small model hobbyist UAS and commercial, non-hobbyist UAS fleets from an estimated 1.1 million vehicles to more than 3.5 million units and from 42,000 to about 442,000 aircrafts respectively, between 2016 through 2021. Pilots of these UAS vehicles are expected to increase from 20,000 at the end of 2016 to a range of 10 to 20 times as many by 2021.

The FAA utilizes a variety of economic data and projections to develop its annual forecast, such as generally accepted projections for the nation's Gross Domestic Product (GDP). The FAA annual forecast is consistently considered the industry-wide standard of U.S. aviation-related activities. The report looks at all facets of air travel including commercial airlines, air cargo, private general aviation, and fleet sizes.

If you have any questions or would like further information, please contact Shelley Ewalt.

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McBreen & Kopko's Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors' rights.