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Alan J. Stolzer
stolzera@erau.edu

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THE GENERAL AVIATION REVITALIZATION ACT OF 1994: AN OVERVIEW OF TORT REFORM

Alan J. Stolzer

The aviation industry, not yet a century old, has developed into one of the most robust, visible, and analyzed industries in the world today. Despite its youth, aviation is a sizable industry, employing an estimated nearly 2.5 million people (NewMyer, Kaps & Sharp, 1997), and generating $75 billion of economic activity in the United States (Kane, 1996). Its size, its importance in our society, and, unfortunately, the occasional mishap that occurs in aviation, cause the industry to be constantly in the public eye. One can hardly watch the evening news or read a newspaper and not be exposed to a story involving aviation. Ever present media coverage includes such topics as mergers, rightsizing, bankruptcy, new aircraft and technologies, economic news, crashes, near misses, and legal actions. The latter of these, legal actions, are not unique to the aviation industry, but one type of legal action, product liability claims against manufacturers, were having a crippling effect on an important segment of aviation -- general aviation, according to Jack Olcott, president of the National Business Aircraft Association ("Statement of John W. Olcott," 1993). To address this phenomenon, the General Aviation Revitalization Act of 1994 (GARA) was signed into law on August 17, 1994. GARA is a federal statute of repose designed to protect aircraft manufacturers from the uncertainties and costs associated with what has been termed "long tail" liability (Darwin, 1996). This paper will attempt to define the key terms, provide some background of the general aviation industry and the problem the law was designed to correct, explain the specifics of the law -- what it does and does not do, and consider the effect of the law since its passage nearly four years ago.

DEFINITIONS

general aviation -- generally referred to as all aviation activities with the exception of military and air carrier activity (Kane, 1996). A *general aviation aircraft* is an aircraft: (1) for which the FAA [Federal Aviation Administration] has issued a type or airworthiness certificate; (2) which carries fewer than 20 passengers; and (3) which is not engaged in scheduled passenger carrying operations (General Aviation Revitalization Act of 1994).

joint and several liability -- A liability is said to be joint and several when the creditor may sue one or more of the parties to such liability separately, or all of them together at his option (Black, 1983).

product liability -- refers to the legal liability of manufacturers and sellers to compensate buyers, users, and even bystanders, for damages or injuries suffered because of defects in goods purchased. A tort which makes a manufacturer liable if his product has a defective condition that makes it unreasonably dangerous to the user or consumer (Black, 1983).

statute of limitations -- A statute prescribing limitations to the right of action on certain described causes of action or criminal prosecutions; that is, declaring that no suit shall be maintained on such causes of action, nor any criminal charge be made, unless brought within a specified period of time after the right accrued. Statutes of limitations are statutes of repose, and are such legislative enactments as prescribe the periods within which actions may be brought upon certain claims or within which certain rights may be enforced (Black, 1983).

statute of repose -- see 'statute of limitations'

strict liability -- A concept applied by the courts in product liability cases in which a seller is liable for any and all defective or hazardous products which unduly threaten a consumer's personal safety (Black, 1983). In almost all states, a victim can hold a manufacturer or seller "strictly liable" if the plaintiff can prove that a defect in the product was a cause of his injuries, even if the injured person cannot prove negligence by the manufacturer (Kolczynski, 1997).

tort- A private or civil wrong or injury, other than breach of contract, for which the court will provide a remedy in the form of an action for damages. Three elements of every tort action are: Existence of legal duty from defendant to plaintiff, breach of duty, and damage as proximate result (Black, 1983).

BACKGROUND AND PROBLEM

General aviation is widely regarded as an important industry in the United States. In 1991, following several years of industry decline, general aviation generated some $42 billion of economic activity, and employed more than 500,000 people with wages of more than $14 billion per year (Wilbur Smith Associates as cited in Schrick, 1994). This sector of aviation includes business travel, almost all flight training, business travel, personal travel, crop dusting, pipeline patrol, and so on (Kane, 1996). The aircraft used in general aviation are typically small aircraft in comparison to those used by air carriers.

Twenty years ago, small aircraft were produced in abundance. In 1978, companies such as Cessna, Piper, Beech, Mooney and other U.S.-based aircraft manufacturers produced 17,811 airplanes. Sixteen years later the number produced had decreased by 95% to a mere 928 airplanes. The following table illustrates the production levels from 1970 to 1997 (GAMA, 1997).

Annual Shipments of New U.S. Manufactured General Aviation Aircraft by Units Shipped

Year	Units shipped	Year	Units shipped
1970	7,292	1984	2,431
1971	7,466	1985	2,029
1972	9,774	1986	1,495
1973	13,646	1987	1,085
1974	14,166	1988	1,143
1975	14,056	1989	1,535
1976	15,451	1990	1,144
1977	16,904	1991	1,021
1978	17,811	1992	941
1979	17,048	1993	964
1980	11,877	1994	928
1981	9,457	1995	1,077
1982	4,266	1996	1,130
1983	2,691	1997	1,569

What caused the dramatic decline in airplanes shipped beginning in the early 1980s? Opinions abound, but most agree that product liability played a major role. In a speech before the U.S. House of Representatives' Committee on Public Works and Transportation, Jack Olcott, president of the National Business Aircraft Association, made the following statement ("Statement of John Olcott," 1993).

> First, we are today experiencing real financial and operational hardships as a result of this country's product liability laws, hardships that have hobbled a once world-leading industry. Specifically, for us as aircraft operators, the cost of maintaining the aircraft we fly has risen substantially due to product liability awards and the cost of their legal defense. As a result, aircraft parts are, in many cases, much more expensive or simply not available. Piper Aircraft, for example, which carries a long tail of liability exposure as a result of over 70 successful years of aircraft production, no longer is readily able to supply parts for most of the more than 70,000 Piper aircraft still flying. Cessna, Beech and others are similarly affected.

Many people believe that the current aviation tort system was biased against the manufacturers for two simple reasons. First, manufacturers have been held liable for everything they ever built. There were an estimated 181,341 active general aviation aircraft in 1996, and the average age of these aircraft was 28 years old (1997 Statistical Databook). One can easily imagine the exposures the manufacturers have had to contend with because these older airplanes are still in service. Second, because of the joint and several liability laws of most states, a party found even 1% at fault can be forced to pay an entire judgment (Liability reform, 1997). This has led to aircraft manufacturers being named in numerous suits, and having to pay huge judgments, when their aircraft or components hardly played a role in the crash.

OVERALL IMPACT OF TORTS

Liability law is an important aspect of our legal system. This law was intended to allow people with legitimate complaints access to the justice system to redress their grievances. Liability law, or tort law, affects society in many different ways, such as shaping public policy, determining the availability of products and services, and, ultimately, impacting the economy.

Public Policy

Tort law affects public policy in ways most people do not even consider. To give one example, as described by Victor

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Schwartz, thirteen states allow a totally drunken person to recover damages in tort law. They allow people who misuse products to receive substantial awards. "Most Americans do not want to subsidize stupid behavior, but they do not know how this mysterious area of law works" (Schwartz, 1996).

Products and Services

There are countless examples of products that have been removed from the market, that never made it to the market at all, or that experienced substantial price increases as a result of product liability. Experts estimate that liability suits add $500 to new car prices, $100 to the price of a $200 football helmet, and $3,000 to the cost of a heart pacemaker. Also, Washington D.C. girl scouts must sell 87,000 boxes of cookies each year to pay for liability insurance. Finally, these experts note that Little League Baseball's liability costs increased 1,000% in only five years -- from $75 to nearly $800 per league annually (Legal reform, 1997). In the general aviation industry, a survey revealed that 47% of U.S. manufacturers withdrew their products from markets, 39% decided against introducing a new product, and 25% discontinued new product research -- all for liability reasons (Kane, 1996).

Economy

Liability suits cost the economy a substantial amount of money each year, although the exact figure is difficult to determine. Some legal reform advocates calculate the cost to the economy as a whole from liability suits at $300 billion a year. ("Liability Reform", 1997). A more conservative figure is cited on the majority whip web page which states that America's 'tort tax' costs the economy $132 billion a year in litigation and higher insurance premiums because of lawsuit abuse (Legal reform, 1997). Whatever the actual figure, it is clear that these suits have a substantial negative impact on the nation's economy.

NEGATIVE EFFECT OF LIABILITY ON GENERAL AVIATION

While there are many negative effects of excessive liability, a few of the more important ones include the affect on insurance premiums, cost of aircraft, loss of jobs, the rise of foreign aircraft to dominance in the market, and the lack of research and development.

Insurance Premiums

Increased product liabilities have a number of negative affects, paramount of which is the increased cost of insurance and the resultant increase in the cost of the airplane. During the 1980s, liability claims paid by the industry increased from $24 million to more than $210 million (Sullivan, 1996). Why did this happen? Michael P. Savin (1996), Claim Account Manager for Reliance National Insurance, offers the following opinion.

> As we are all aware, the plaintiff's bar became more and more creative in their theories of liability, often looking to the "deep pocket" to fill their coffers. In the case of general aviation, that pocket was usually located in the pants of the manufacturer, such as Cessna, Piper Aircraft or Beech Aircraft. According to the plaintiff's bar, every aviation loss, whether caused by failure of an uninsured component part, an act of God or just plain pilot error could be attributed to a design defect by the manufacturer. This was disastrous for the industry. Jury awards in excess of $10 million were all too common ... The industry, which paid $24 million in premiums for the 14,000 aircraft delivered in 1979, paid $200 million in 1993 when only 950 aircraft were delivered.

Cost of Aircraft

The increase in insurance premiums described above had a very predictable outcome -- the costs of the aircraft increased. Liability insurance added an average of 30% to the cost of the typical trainer aircraft as a result of the proliferation of product liability lawsuits (Cunnington, 1997). This increase in price made these aircraft unaffordable to many potential buyers.

Loss of Jobs

Another important affect of the decline of general aviation since the mid-1970s has been the substantial loss of jobs. According to industry information, employment in the general aviation industry decreased by 65 percent. Cessna alone had cut employment from 18,000 to approximately 3,000 (Price, 1996). Piper went from 15,000 employees at its peak to 45 in 1991. All told, over 100,000 manufacturing jobs were lost between 1976 and 1986, and an additional 15,000 to 20,000 jobs were lost in related industries during the collapse of general aviation (Savin, 1996).

Foreign Aircraft

Foreign aircraft manufacturers capitalized on the opportunity to enter the U.S. market while the U.S. manufacturers either refused to produce aircraft, or were unable to sell them due to

high costs. For the most part, foreign manufacturers are not subject to the same onerous liability problems that U.S. manufacturers contend with. Manufacturers such as Zenaire, Hoarc GmbH, Diamond Aircraft Industries, Aerospatiale and others have increased their activity in the general aviation market in the past several years.

Jack Olcott observed ("Statement of John W. Alcott," 1993), "Cessna, Piper and Beech used to produce a lion's share of the world's training market. Today, because of our product liability laws, France is now the leading supplier of training aircraft in the U.S."

Research and Development

One of the factors cited often as a negative affect of excessive liability costs is the lack of research and development occurring in the industry. Clearly, most of the investment into research and development ceased when the cost of liability insurance increased. Research and development was just beginning during that time frame into such areas as Global Positioning Systems, composite construction, more intelligent cockpits, computer monitoring of engine systems, and others. As one observer (Stewart, 1995) put it, "This has reduced the quality of the aircraft produced as well as the development of technologies within the aviation field." Drew Steketee, senior vice president of the Aircraft Owners and Pilots Association, stated that when the production of piston-engine planes stalled in the U.S., research and development did too. "There's been almost no new technology introduced in piston-engine aircraft since the Piper Malibu in the early 80s," according to Steketee (Bremer, 1995). Dave Franson, vice president for Cessna, stated (Bremer, 1995) that his company was spending as much defending itself in lawsuits in the mid-80s when it ceased production of light aircraft as it was spending on research and development. This lack of investment was certainly illustrated in 1997 when Cessna produced its first model 172 aircraft in 10 years, and it was substantially unchanged from the previous model.

FRIVOLOUS LAWSUITS

While many of the lawsuits against general aviation aircraft and component manufacturers are certainly reasonable efforts to remedy legitimate complaints, some clearly do not fit that description. Following are some brief descriptions of several lawsuits many consider frivolous and inappropriate.

A Piper airplane was involved in an accident due to maintenance problems. It crashed and caught on fire on the side of the road. A lady stopped to see the fire, and when she stopped, someone hit her from behind. She sued Piper simply because Piper had 'created' a nuisance on the side of the road and made her stop. The case was thrown out of court, but it still cost Piper $100,000 in legal expenses (Cunnington, 1997).

A Piper aircraft was used in the making of a movie. The pilot was doing the filming while seated backward in the plane. The plane crashed and the pilot sued Piper on the grounds that it made an unsafe airplane with poor backseat visibility (Sullivan, 1996). A $2.5 million judgment was made in favor of the pilot.

Cessna Aircraft was sued and paid thousands of dollars to a pilot who crashed his Cessna 195 due to water in a fuel tank. The airplane had been parked outside during four days of very heavy Florida rains, and had failed to use the wing tank drains to remove the water from the tanks ("Statement of John W. Olcott," 1993).

- A pilot crashed an illegally overloaded two-seat training aircraft into a building at an airport. A third occupant of the airplane, a small boy not seated in a seat with a restraint belt, sustained a brain injury when he was thrown through the windshield and struck his head on a steel beam inside the building. The pilot defaulted on a $750,000 judgment against him, so Cessna was sued and ordered to pay $1 million to the injured boy ("Statement of John W. Olcott," 1993).
- Unison Industries, makers of aircraft ignition systems, incurred $10,000 in legal expenses clearing its name in a Hawaii crash case where its product was not even on the aircraft ("Statement of John W. Olcott," 1993).
- Piper spent nearly $1 million in legal fees to defend itself in a crash case where the pilot of a Super Cub tested positive for cocaine ("Statement of John W. Olcott," 1993).
- Cessna and several component manufacturers were sued for $4.5 million in a case involving a drunken pilot. The pilot crashed an airplane after experiencing fuel exhaustion. Three hours after the crash, the pilot's blood alcohol level was 0.2%. The FAA allows a maximum of 0.04%. The suit was settled for $50,000 following 4 years of litigation ("Statement of John W. Olcott," 1993).

THE ACT

In the early 1980s, a concerted effort was begun to compel Congress to draft and pass a bill to reform the tort law as it

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applied to general aviation. The legal reform advocates felt that the bill should be based on a "statute of repose," a measure used to reduce the length of time a manufacturer could be held liable for defects. Predictably, the Association of Trail Lawyers of America opposed the legislation arguing that it would take away consumers' rights to seek redress for their grievances (Kane, 1996).

Finally, Senator Nancy Kassebaum introduced the bill on September 14, 1993, along with 51 co-sponsors (S. 1458, 1993). The official title as introduced to the Senate was "A bill to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes." The short title as introduced was "General Aviation Revitalization Act of 1993" (changed to "... 1994" as enacted).

The General Aviation Revitalization Act (GARA) effectively shields the manufacturers of aircraft and their component parts from liability lawsuits that arise more than 18 years after the aircraft (or part, component, or subassembly) is first manufactured and delivered to a customer (Darwin, 1996). (The full text of GARA is included as Appendix A.) GARA applies only to general aviation aircraft, and contains four express exceptions to its 18-year statute of repose.

The manufacturer knowingly misrepresents or conceals certain safety information to or from the FAA;

The claimant was a passenger for purposes of receiving medical or emergency treatment;

The claimant who suffers harm was not aboard the aircraft at the time of the accident; and

The claimant's cause of action is based on the manufacturers written warranties.

If the plaintiff is able to plead and prove any one of these exceptions, he or she can successfully avoid GARA's restrictions (Darwin, 1996).

LEGISLATIVE PROGRESS OF BILL

The bill was introduced on September 14, 1993, and was signed into law by the President on August 17, 1994 -- a relatively short time by legislative standards. It is particularly noteworthy that the bill was signed by President Clinton who had, upon taking office, vowed to veto any reform that crossed his desk (Boyer, 1996).

The bill had 51 co-sponsors in the Senate, while the House version had 280 co-sponsors. In the end, 91 Senators voted for the bill. A synopsis of the progress of the bill through the U.S. Congress is contained in Appendix B (Thomas - U.S. Congress on the Internet, 1994).

The amendments referenced above mainly centered on the limitation period. For example, the June 26, 1994, 'Engrossed House Amendment' version of the bill (S. 1458 EAH, 1994) provided for varying limitations periods depending on the item in question.

> (3) the term 'limitation period' means--
>
> 15 years with respect to piston-powered general aviation aircraft and the components, systems, subassemblies, and other parts of the aircraft;
>
> 18 years with respect to turboprop-powered general aviation aircraft and the components, systems, subassemblies, and other parts of such aircraft; and
>
> 22 years with respect to the other general aviation aircraft (including jet-powered general aviation aircraft) and the components, systems, subassemblies, and other parts of such aircraft; and

An August 2, 1994, Senate amendment to the bill consolidated these varying time limitations into an 18 year limitation period for all three categories of general aviation aircraft.

EFFECT OF THE ACT

Since it became law less than 4 years ago, a detailed analysis of the effect of GARA would be difficult. Clearly, the general aviation industry is recovering, however, the amount of the recovery that is attributable to GARA is unknown. Following are some information and data that may shed some light on the immediate impact of the law.

"Thanks to GARA the general aviation industry is in better shape today than it has been at any time in well over a decade," states the General Aviation Manufacturers Association (GAMA, 1996). Employment has increased each year since GARA became law. In addition, as noted in the preceding table, the production of general aviation aircraft in the United States has also increased each year since GARA became law. GAMA (1996) states that the total increase in general aviation production since enactment is over 69%, and the production of single engine piston-powered aircraft has increased over 103%.

The immediate effect on the manufacturers was significant. Reports Reliance National Insurance Company, "At the time of its passage, GARA extinguished liability on 60% of all

general aviation aircraft ... a number which increases to over 70% when only single engine aircraft are included" (Savin, 1996). And, as each year passes and aircraft from the big production years of the 1970s and early 1980s fall under the protection of GARA, the exposure of manufacturers to liability lawsuits will decline even further.

In a report to the President and Congress, *The Results of the General Aviation Revitalization Act* (1996), GAMA estimates that tens of thousands of new jobs will be created over the next five years as a result of GARA. According to the report, over 9,000 jobs have been created since 1994. Further, the report states that research and development has resumed in earnest, and optimism of the pilot community is improved dramatically.

If not for GARA, the top two manufacturers of light general aviation aircraft would not be producing airplanes today. Russell Meyer, Jr., Chairman and CEO of Cessna Aircraft Company, stated, "The product liability environment practically killed an important segment of the aviation industry. The cost of defending lawsuit after lawsuit caused us, by 1986, to stop building piston-engine aircraft" ("The Results of the General Aviation Revitalization Act," 1996). Charles Suma, President and CEO of the New Piper Aircraft, concurs, "There is not a single company, government agency or individual ... that knows the significance of GARA more than The New Piper Aircraft, Inc., and myself. If there is a doubt in anyone's mind of the effect of this landmark legislation, we are living proof. We are The New Piper because of GARA and its limiting effect on the enormous product liability tail" (Suma, 1996).

David Hinson, former FAA Administrator summed it up by stating, "There is widespread agreement that the General Aviation Revitalization Act is having its intended effect," ("The Results of the General Aviation Revitalization Act," 1996).

CASE LAW SINCE GARA

The effect of the courts on GARA has yet to be established. According to attorney Edward Booth, the first appellate decisions interpreting GARA began appearing in 1996. Booth (1998) cites the following cases that involved GARA.

Cartman v. Textron Lycoming. The plaintiff was injured in an aircraft accident in 1992. It was alleged that the plane crashed due to a faulty carburetor float installed in 1966. The plaintiff's allegations of a defective carburetor raised when an amended complaint was filed in 1995. The court ruled for the defendants. However, the court ruled that since the original complaint was filed before the enactment of GARA, the amendment does not "relate back." The court also ruled that the plaintiff did not satisfy the "knowing misrepresentation or concealment" exception because the argument was not sufficiently specific in proving that the defendant concealed information from the FAA.

- Altseimer v. Bell Helicopter. A helicopter crashed due to a defective gearbox, which was manufactured more than 18 years prior to the crash. Summary judgment was granted for defendants since the action was filed after GARA became law.
- Alter v. Bell Helicopter. A helicopter crashed in a foreign country due to the alleged failure of an engine compressor stator vane. The helicopter and its engine were more than 18 years old. Plaintiffs argue for an exception to GARA due to the following: the maintenance manuals were issued within the 18 year limitation; the accident occurred in a foreign country; maintenance manuals were a "product" and that their issuance within the repose period recommenced the running of the statute of repose. The court rejected each of those arguments.
- Rickert v. Mitsubishi. A 21 year old airplane crashed to due to alleged design defects and controllability issues. The court found in favor of the defendant, until it later discovered that the defendant had been less than forthcoming with its discovery process. The court will reconsider the motion of summary judgment.
- Wright v. Bond-Air, Ltd. A 28 year old airplane crashed killing the plaintiff. The defendants sought to move the case to a federal court claiming that the action arises under federal law due to GARA. The court disagreed stating that GARA does not confer federal jurisdiction upon state court claims, not does it create a federal cause of action. The case was remanded back to state court.

ACT REFUTED

In most complex issues there are differing opinions, and GARA is no exception. There are some people who refute the impact of GARA and, to be sure, there are other factors involved in the revitalization of the industry.

To quote Charles Suma (1996), "Today's marketplace and economy are substantially different than in the 1970s, when

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this sector of General Aviation produced in excess of 145,000 aircraft in 10 years. The majority of these are still in use today, worldwide." Suma contends that many factors are different now, such as: the loss of investment tax credits; the elimination of the accelerated depreciation; insurance costs for owners, operators and manufacturers are substantially higher and do not track with inflation; fuel costs have escalated at a higher rate than inflation; the decline in middle-class consumers and their ability to purchase products; the cessation of the G.I. bill; the long life of the product; and the risk of over-production. These remarks were intended to describe the considerations manufacturers must take into account as they resume production, but one could also argue that these factors, all unfavorable toward aircraft production, led to the downturn in the industry.

Some do not think GARA is responsible for the revitalization of the industry. One attorney who has studied the effect of GARA notes that small airplane prices have not dropped as the general aviation industry promised, because the industry has realized no product liability 'savings' due to GARA ("The General Aviation Revitalization Act," 1998). In fact, a new Mooney single engine airplane that sold for $165,000 in 1994 is selling for $209,000 in 1997. A new Piper Saratoga that sold for $209,000 in 1991 is priced at $349,999 today. The same can be said for Cessna aircraft and those produced by other manufacturers. On March 6, 1997, the Subcommittee on Consumer Affairs, Foreign Commerce and Tourism of the Senate Committee on Commerce, Science and Transportation, held oversight hearings on the results of the GARA. As John Moore, Cessna's senior vice president, acknowledged before that Senate committee, Cessna has experienced no decrease in their product liability insurance costs. "Therefore, no cost savings have been passed along to consumers, as manufactures promised would occur," states Public Citizen ("The General Aviation Revitalization Act," 1998).

A writer (Clifford, 1994) for *Chicago Lawyer* newsletter believes that product liability is merely being made the scapegoat for mistakes the industry has made. According to Clifford, "The real culprit are the general aviation manufacturers themselves who made questionable business judgments, having saturated the market with products that are built for a long life expectancy without adequately considering the safety consequences...They did not face their day of reckoning when they had glutted the market while the new sales market had collapsed." Clifford argued that reform would actually shift the burden of catastrophic injury and death to innocent victims and their families. Finally, he believes that the real issue for Congress to examine is that of liability insurance, contending that the insurance industry uses exaggerated claims to justify rate increases.

Public Citizen argues that, contrary to popular belief, product liability litigation remains rare in this country and is not out of control. According to the National Center for State Courts (NCSC) (as cited in "The facts about product liability lawsuits," 1998), only .0036% of all civil case filings in state courts involve products liability suits. Further, a 1995 collaborative study by the NCSC and the Bureau of Justice Statistics of the U.S. Department of Justice (as cited in "The facts about product liability lawsuits," 1998) reveals that products liability suits comprise only about 3% of all civil jury trials.

While acknowledging that there has been a modest increase in demand for small aircraft, some observers argue that this is a result of variables other than GARA. Replacement of aging aircraft and improved marketing efforts are cited by several as being the main reason for the increased production. Hal Wight, A.A.E., manager of airports for Contra Costa County, California, stated "Two of my flight training tenants are actually doing quite well. Both of them have had a pretty good turnaround. I don't think it has anything to do with the product liability thing. I think the businesses, FBOs and airports have learned to sell their product" (Bremer, 1995). Wight predicted that there will not be a sales boom for new aircraft. He feels that even though it may be unpopular to say so, studies have shown there isn't a pent up demand for new general aviation aircraft. "The number of airplanes that are still in the fleet is still adequate for the number of people who want to fly," said Wight. (Bremer, 1995)

Ollie Cramer, an airport manager at Manassas (Virginia) agreed, arguing that the upturn in the economy has had more effect than anything product liability legislation did. "More people now have the money to start or complete their flight training," said Cramer (Bremer, 1995).

CONCLUSION

It is not difficult to cite statistics that indicate that general aviation has experienced revitalization since the enactment of GARA. Production of aircraft is up, employment has increased, and there is strong evidence of significant research and development occurring in the industry. One could argue, though, that the turnaround is based largely on the

expectations of what GARA will do as opposed to what it has done. The expectations of what GARA will do have changed the mood of the industry. After citing numerous statistics detailing the resurgence in the industry, David Burner, president of BF Goodrich Aerospace, said profoundly, "More importantly [than other factors], there is a strong conviction and determination that the general aviation industry is back on a growth track" (Non-Hub, 1995). As stated in the *The Results of the General Aviation Revitalization Act*, "The Aircraft Owners and Pilots Association (AOPA), the world's largest pilot organization, reports optimism of the pilot community is better today than in recent history." A dramatic shift took place following the passage of the General Aviation Revitalization Act ("The Results of the General Aviation Revitalization Act," 1996). It is evident that GARA not only reformed tort law for general aviation, it also revived the optimism of those involved in the industry.□

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APPENDIX A

General Aviation Revitalization Act of 1994

General Aviation Revitalization Act of 1994 (Enrolled Bill (Sent to President))

--S.1458--

One Hundred Third Congress
of the
United States of America
AT THE SECOND SESSION

Begun and held at the City of Washington on Tuesday, the twenty-fifth day of January, one thousand nine hundred and ninety-four

An Act

To amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `General Aviation Revitalization Act of 1994'.

SEC. 2. TIME LIMITATIONS ON CIVIL ACTIONS AGAINST AIRCRAFT MANUFACTURERS.

(a) IN GENERAL- Except as provided in subsection (b), no civil action for damages for death or injury to persons or damage to property arising out of an accident involving a general aviation aircraft may be brought against the manufacturer of the aircraft or the manufacturer of any new component, system, subassembly, or other part of the aircraft, in its capacity as a manufacturer if the accident occurred--

(1) after the applicable limitation period beginning on--

(A) the date of delivery of the aircraft to its first purchaser or lessee, if delivered directly from the manufacturer; or

(B) the date of first delivery of the aircraft to a person engaged in the business of selling or leasing such aircraft; or

(2) with respect to any new component, system, subassembly, or other part which replaced another component, system, subassembly, or other part originally in, or which was added to, the aircraft, and which is alleged to have caused such death, injury, or damage, after the applicable limitation period beginning on the date of completion of the replacement or addition.

(b) EXCEPTIONS- Subsection (a) does not apply--

(1) if the claimant pleads with specificity the facts necessary to prove, and proves, that the manufacturer with respect to a type certificate or airworthiness certificate for, or obligations with respect to continuing airworthiness of, an aircraft or a component, system, subassembly, or other part of an aircraft knowingly misrepresented to the Federal Aviation Administration, or concealed or withheld from the Federal Aviation Administration, required information that is material and relevant to the performance or the maintenance or operation of such aircraft, or the component, system, subassembly, or other part, that is causally related to the harm which the claimant allegedly suffered;

(2) if the person for whose injury or death the claim is being made is a passenger for purposes of receiving treatment for a medical or other emergency;

(3) if the person for whose injury or death the claim is being made was not aboard the aircraft at the time of the accident; or

(4) to an action brought under a written warranty enforceable under law but for the operation of this Act.

© GENERAL AVIATION AIRCRAFT DEFINED- For the purposes of this Act, the term `general aviation aircraft' means any aircraft for which a type certificate or an airworthiness certificate has been issued by the Administrator of the Federal Aviation Administration, which, at the time such certificate was originally issued, had a maximum seating capacity of fewer than 20 passengers, and which was not, at the time of the accident, engaged in scheduled passenger-carrying operations as defined

under regulations in effect under the Federal Aviation Act of 1958 (49 U.S.C. App. 1301 et seq.) at the time of the accident.

(d) RELATIONSHIP TO OTHER LAWS- This section supersedes any State law to the extent that such law permits a civil action described in subsection (a) to be brought after the applicable limitation period for such civil action established by subsection (a).

SEC. 3. OTHER DEFINITIONS.

For purposes of this Act--

(1) the term `aircraft' has the meaning given such term in section 101(5) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(5));

(2) the term `airworthiness certificate' means an airworthiness certificate issued under section 603© of the Federal Aviation Act of 1958 (49 U.S.C. 1423(c)) or under any predecessor Federal statute;

(3) the term `limitation period' means 18 years with respect to general aviation aircraft and the components, systems, subassemblies, and other parts of such aircraft; and

(4) the term `type certificate' means a type certificate issued under section 603(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1423(a)) or under any predecessor Federal statute.

SEC. 4. EFFECTIVE DATE; APPLICATION OF ACT.

(a) EFFECTIVE DATE- Except as provided in subsection (b), this Act shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF ACT- This Act shall not apply with respect to civil actions commenced before the date of the enactment of this Act.

Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate.

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APPENDIX B

Legislative Progress of GARA Through Congress (Thomas - U.S. Congress on the Internet, 1994).

Senate:	
9/14/93	Read twice and referred to the Committee on Commerce.
11/9/93	Committee on Commerce. Ordered to be reported without amendment favorably.
11/20/93	Committee on Commerce. Reported to Senate without amendment. Placed on Senate Legislative Calendar.
3/9/94	Measure laid before Senate by unanimous consent. The bill was modified by unanimous consent. Referred to the Committee on Judiciary by unanimous consent. Senate Committee on Judiciary discharged. Placed on Senate Legislative Calendar.
3/16/94	Measure laid before Senate by unanimous consent. Passed Senate as modified without amendment by Yea-Nay Vote. 91-8.
3/17/94	Message on Senate action sent to the House.
6/29/94	Message on House action received in Senate and at desk: House amendment to Senate bill.
8/2/94	Measure laid before Senate by unanimous consent. Amendment SP 2440 agreed to in Senate by voice vote.
8/3/94	Message on Senate action sent to the House.
House:	
3/18/94	Referred jointly to the House Committee on Judiciary.
3/23/94	Referred to the Subcommittee on Economic and Commercial Law.
6/16/94	Subcommittee Consideration and Mark-up Session Held. Forward by Subcommittee to Full Committee (amended) by voice vote.
6/21/94	Committee Consideration and Mark-up Session Held. Ordered to be Reported (amended).
6/24/94	Reported to House (Amended) by House Committee on Judiciary.
3/18/94	Referred jointly to the House Committee on Public Works and Transportation.
3/31/94	Referred to the Subcommittee on Aviation.
5/17/94	Committee Consideration and Mark-up Session Held. Ordered to be reported by voice vote. Subcommittee on Aviation discharged.
5/24/94	Reported to House by House Committee on Public Works and Transportation.
6/24/94	Placed on Union Calendar.
6/27/94	Called up by House under suspension of the rules. Passed House (amended) by voice vote.
Executive:	
8/3/94	Cleared for White House.
8/5/94	Presented to President.
8/17/94	Signed by President. Became Public Law No: 103-298.

Alan J. Stolzer holds an M.S. in Aeronautical Science from Embry-Riddle Aeronautical University and a B.S. in Aerospace Science from the College of the Ozarks. He is an Associate Dean and a Professor of Aviation Science at Parks College of Engineering and Aviation, Saint Louis University.

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