
Jennifer L. Anton

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A CRITICAL EVALUATION OF THE GENERAL AVIATION REVITALIZATION ACT OF 1994

JENNIFER L. ANTON

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Except in topsy-turvy land you can't die before you are conceived, or be divorced before ever you marry, or harvest a crop never planted, or burn down a house never built, or miss a train running on a non-existent railroad. For substantially similar reasons, it has always heretofore been accepted, as a sort of legal "axiom," that a statute of limitations does not begin to run against a cause of action before that cause of action exists, i.e., before a judicial remedy is available to the plaintiff.¹

¹ Dincher v. Marlin Firearms Co., 198 F.2d 821, 823 (2d Cir. 1952) (Frank, J., dissenting).
ON AUGUST 17, 1994, President Bill Clinton signed into law the General Aviation Revitalization Act (GARA), which purportedly was intended to help bolster the aviation industry by relieving it from an "onslaught of product liability litigation." GARA is the first piece of federal legislation to establish rules governing state law tort claims. GARA amended the Federal Aviation Act by imposing an eighteen-year statute of repose on all civil actions for death, injury or property damage caused by general aviation aircraft and their component parts.

The General Aviation Revitalization Act is the result of over a decade of active Congressional lobbying by the manufacturers of general aviation aircraft. GARA was enacted to "help regenerate a once-healthy industry and help create thousands of jobs." Congress touted the statute as a "narrow and considered response to the 'perceived' liability crisis in the general aviation industry." It was intended to "provide manufacturers of aircraft and related components, protection from lawsuits alleging defective design or manufacture long after original production." To achieve this result, GARA "cut[s] off the product[s] liability tail for general aviation manufacturers of aircraft and component parts after eighteen years." GARA provides manufactur--

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5 See GARA §§ 2(a), 3(3).
6 See infra Part IV.A.
8 H.R. REP. No. 103-525(II), at 6 (1994).
10 In insurance law, the "liability tail" is the length of time during which a tortfeasor may be subject to suit. The shorter the tail, the more predictable the payout of claims over a period of time and thus, the more willing an insurance company is to insure. Aircraft have long life spans, and thus, the potential for lawsuits arising from the product extends over a long period of time; hence, the long-tail of the aircraft's potential liability.
11 McAllister, supra note 3, at 311.
ers the ability to calculate a product's liability tail for insurance purposes. The statute purports to relieve manufacturers from products liability exposure, which in turn, will free up money that can then be invested in research and development of new and old piston-engine, general aviation aircraft. The re-starting of the production of these designs by the established manufacturing companies will then revitalize the industry.

To effect the intent of Congress, GARA's statute of repose bars injured plaintiffs from filing suit against manufacturers of defective aircraft built prior to August 17, 1976. With the enactment of GARA, approximately seventy-five percent of all general aviation aircraft in the United States are exempted from any future civil liability. In other words, close to three-quarters of these small plane pilots and their passengers are "unable to recover damages from an aircraft manufacturer in the event of a crash or other injury, even if the cause of the accident is due to a legitimate defect in the aircraft's design, manufacture or marketing." GARA does not protect other actors in the general aviation industry from liability. Pilots, mechanics and base operators are still vulnerable to suit and will certainly bear the burden of litigation costs as they become the named defendants when accidents occur.

Most legal commentary on the General Aviation Revitalization Act analyzes the provisions of the Act and describes the reasons for which the Act was enacted. There is sparse discussion regarding the Act's potential negative effects on those not protected, but nonetheless affected, by GARA's statute of repose. This paper closely scrutinizes GARA's effects on those industry actors and accident victims and explains why the general aviation manufacturers' arguments in support of GARA's enactment

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12 See id. at 316.
13 See id.
14 See id.
17 See McAllister, supra note 3, at 311-12.
18 See H.R. REP. No. 103-525(II), at 7 (1994).
were misleading. The Article begins by introducing the general aviation industry and its history. The Article then briefly discusses the products liability law on which the Act is based. Thirdly, the Article traces the legislative history of the Act, including the arguments made by both the proponents and opponents of the Act. Next is an in-depth analysis of the statute and the case law interpreting it. The Article then focuses on the different general aviation industry actors by describing how each group is affected by the Act. An analysis of the constitutionality of GARA follows. The Article concludes by returning to the arguments presented by the proponents and opponents of GARA and reexamining why GARA should not have been enacted. This final section criticizes the legislative policies relied upon by Congress and describes why the general aviation industry’s arguments in support of GARA’s enactment were fallacious.

II. THE GENERAL AVIATION INDUSTRY

A. What is the General Aviation Industry?\(^{19}\)

“General aviation is defined as all private-sector aviation that does not involve regularly scheduled passenger traffic.”\(^{20}\) General aviation includes the construction, maintenance and flight operations of aircraft such as corporate jets, helicopters, and home-built sailplanes.\(^{21}\) General aviation manufacturers build general aviation aircraft, major aircraft components (e.g. engines and propellers), and smaller components.\(^{22}\) Operators of general aviation aircraft provide a variety of aviation services that are not efficiently provided by alternative modes of transportation.\(^{23}\) Such services include: pilot training, crop-dusting, emergency medical evacuation, business aviation, air cargo, flight training, pleasure flying, air taxi, and air charter.\(^{24}\) “General aviation aircraft also provide passenger service in areas that commercial airlines are unwilling or unable to service.”\(^{25}\)

\(^{19}\) See infra Part V.D.
\(^{21}\) See McAllister, supra note 3, at 903.
\(^{22}\) See Boswell & Coats, supra note 20, at 535.
\(^{24}\) See id.; see also Boswell & Coats, supra note 20, at 535.
\(^{25}\) Tarry & Truitt, supra note 23, at 167.
5000 communities rely solely on general aviation for their access to the nation’s airways.”

The general aviation industry is composed of a variety of actors, including the “Big Three” airframe manufacturers (Cessna Aircraft Co., Piper Aircraft Corp., and Beech Aircraft Corp.), small airframe manufacturers, and component parts manufacturers. It also includes dealers, fixed base operators (FBOs), kit-plane manufacturers, private flight instructors, mechanics, and pilots.

A general aviation aircraft is statutorily defined as an aircraft, approved by the Federal Aviation Administration, that seats less than twenty passengers and that is not engaged in scheduled passenger operations.

B. HISTORY OF INDUSTRY GROWTH

A plethora of trained pilots, aircraft mechanics, and aero-engineers emerged from the aftermath of World War II, eager to test their innovative and entrepreneurial spirits in the industry of general aviation manufacturing. They began building “a multitude of single- and multi-engine light piston aircraft” in their “backyard garages, [in] small-town factories, and [in] major manufacturers’ plants.” The skies were becoming filled with “new designs from manufacturers like Cessna, Piper, Beech, Stinson, and Luscombe.” Small town airports became popular, and surplus military airfields were rapidly being converted to civilian use. Ex-army air corps personnel provided aircraft maintenance, fuel services, sales support, and pilot training for the next generation.

The tremendous increase in the number of pilots flying and the number of aircraft being produced lasted throughout the

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27 See McAllister, supra note 3, at 303.
29 See GARA § (2) (c).
30 See McAllister, supra note 3, at 304.
31 Id.
32 Id.
33 See id.
34 See id.
During these two decades, the “Big Three” created a comprehensive product line of general aviation aircraft, established an infrastructure that provided sales and training, and aggressively marketed the industry of general aviation.

C. DECLINE OF THE INDUSTRY

In the 1980s general aviation first began to stagnate and then to decline. The 1990s saw further decline as demand for general aviation products and services continued to wane. General aviation ownership gradually became more of a luxury and less accessible to the average American. As a result, production began to stall and then virtually ceased.

During this period, the industry’s annual production of general aviation aircraft plunged from over 17,000 aircraft in 1979 to 2600 in 1983. Cessna, the largest manufacturer of general aviation aircraft, ceased production of piston-engined aircraft in 1986. By 1993 production had further decreased to 954 aircraft.

In the mid-1980s the industry began to attribute the decline in manufacturing to an alleged increase in the cost of insuring and defending products liability actions relating to defective design and manufacture. Manufacturers concluded that they needed to limit their exposure to products liability actions in order to assure a revival of the production of light piston aircraft for general aviation use.

III. APPLICABLE LAW

Products liability is a term of art that refers to the “liability of a manufacturer or seller of a chattel which is defective and/or unreasonably dangerous and causes” injury to an individual.
There are at least four objectives of liability law: (1) to compensate accident victims; (2) to deter injurers; (3) to spread risk equitably; and (4) to foster innovation and safety. American law generally provides three theories to plaintiffs who seek to recover against manufacturers: (a) warranty (contractual remedy); (b) strict liability (tort remedy); and (c) negligence (tort remedy). General aviation litigation is dominated by tort claims.

Because the tort liability laws governing aircraft litigation are governed by state law, there is some variation among jurisdictions. The majority of states allow liability for a defective product to extend throughout the entire life of the product, with the statute of limitations beginning to run only after an injury occurs. However, a minority of states have enacted statutes of repose which cut off a plaintiff’s right to bring a cause of action after a specified time, measured from the delivery of a product, regardless of the time of accrual of the cause of action. A statute of repose extinguishes a plaintiff’s cause of action before it can ever arise.

IV. TORT REFORM EFFORTS AFFECTING THE GENERAL AVIATION INDUSTRY

A. LEGISLATIVE HISTORY

While the general aviation manufacturing industry was experiencing economic difficulty, its members began to lobby the federal government for reform of the tort system, particularly in the

47 See Tarry & Truitt, supra note 23, at 167-68.
48 See Moffitt, supra note 9, at 217.
49 See id.
50 See id. at 218.
51 See id.
53 See Sanger, supra note 28, at 447.
area of aviation products liability. They pushed for reform at the "federal level, where it was believed that the overarching federal authority over aviation safety offered the best chance of achieving uniformity of legislation." Congress believed that federal legislation was justified in this instance because aircraft were considered unique when compared to other products.

Because much of the general aviation industry is based in Kansas, members of the Kansas congressional delegation became the primary sponsors of legislation aimed at revitalizing the industry. In 1986 legislators introduced a series of Senate and House bills calling for the uniformity of personal injury and property damage liability rules arising out of general aviation accidents. For example, House Resolution 4142, introduced by Representative Dan Glickman (D-Kan.), provided for a uniform federal aviation products liability law, eliminated joint and several liability (except for defects in airplanes or their parts), and barred suits for injuries caused by products that had exceeded their useful lives. A twenty-year statute of repose appeared in the Senate's General Aviation Accident Liability Standards Act of 1986.

The following year, new bills with new names were introduced in furtherance of the reform effort. House members introduced the General Aviation Standards Act of 1987. In the Senate, Senator Nancy Kassenbaum (R-Kan.) introduced the General Aviation Accident Liability Standards Act of 1987, which contained "comprehensive rules on liability, comparative responsibility, and remedial measures designed to ease the bur-

54 See McAllister, supra note 3, at 308-09.
55 Id. at 309; see generally H.R. REP. No. 103-525(11), at 7 (1994); MacDougall, supra note 7, at 341.
56 See MacDougall, supra note 7, at 341.
57 Beech, Cessna and Learjet manufacture their products in Wichita, Kansas. See England & McNatt, supra note 26, at 326 n.17.
58 See id. at 326.
60 H.R. Res. 4142, 99th Cong. (1986).
61 See id.
63 See Steggerda, supra note 62, at 226.
64 H.R. 2238, 100th Cong. (1987).
den of liability insurance on aviation manufacturers. The proposal also provided the federal courts with original jurisdiction, concurrent with state courts, in all civil actions arising out of aviation accidents. Congress killed both the Kassenbaum bill and the similar House version.

In 1989 Congress again refused to pass legislation virtually identical to the Kassenbaum bill. The Committee on the Judiciary rejected the bills because it had difficulty blaming the general aviation industry's decline solely on increased liability insurance premiums. During the next three years, Senator Kassenbaum introduced two more versions of the General Aviation Accident Liability Standards Act, both of which Congress rejected.

In September of 1993, during the 103rd Congress, Senator Kassenbaum introduced Senate Bill 1458, known as the General Aviation Revitalization Act. In the House, Congressman Glickman introduced an identical bill. The scope of this bill was limited to the singular issue of creating a fifteen-year statute of repose on civil actions brought against general aircraft manufacturers and manufacturers of general aviation component parts. The restricted scope of this bill significantly improved its chances for passage.

The bill passed out of committee in the Senate with the fifteen-year statute of repose. However, the bill ultimately passed by the entire Senate contained an eighteen-year repose period. The Senate passed the bill on March 16, 1994, by a margin of ninety-one to eight.

The House version of the Senate Bill, H.R. 3087, also included a fifteen-year statute of repose in its original form.

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66 Lin, supra note 59, at 445-46.
67 See id. at 446.
68 See id. at 449.
69 See id.
71 See S. 645, 102d Cong. (1991); S. 67, 103d Cong. (1993); see also Lin, supra note 59, at 450.
72 S. 1458, 103d Cong. (1993).
74 See Lin, supra note 59, at 450.
75 See id. at 450-51.
76 See Steggerda, supra note 62, at 226.
77 See id. at 227.
78 See id. at 226. There is virtually no legislative history describing the reason for increasing the repose period from 15 to 18 years.
79 Id. at 228.
However, the Aviation Subcommittee of the House Public Works and Transportation Committee amended the bill’s statute of repose to eighteen years. On June 27, 1994, the House passed a compromise bill and two months later, President Clinton signed the bill into law. On August 17, 1994, President Clinton touted the bill as “legislation that accommodates the need to revitalize our general aviation industry, while preserving the legal rights of passengers and pilots.” GARA became effective immediately upon its passage and is not applicable to civil actions commenced before the date of enactment.

B. PASSAGE OF GARA

1. The Proponents’ Arguments for GARA

The general aviation manufacturing industry wholeheartedly supported GARA and was represented primarily by the General Aviation Manufacturers Association (GAMA), the Aircraft Owners and Pilots Association (AOPA), the Experimental Aircraft Association, the International Association of Machinists, the Helicopter Association International, the National Business Aircraft Association, and the National Air Transportation Association. The proponents of the bill argued that its passage was necessary in order to relieve the general aviation industry from burdensome strict products liability verdicts and associated defense costs as well as resulting increased insurance premiums. They argued that these factors led to the demise of a once vital and prosperous industry. The proponents asserted that GARA would necessarily eliminate manufacturers’ exposure to liability after their products had proven their integrity.

According to Congressional testimony, small airplane manufacturing and production decreased from over 17,000 aircraft annually in the United States in the late 1970s to under 1000 per

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80 See id. at 230. There is virtually no legislative history describing the reason for increasing the repose period from 15 to 18 years.
81 See id. at 231.
83 See GARA §§ (4)(a)-(b).
84 See Hedrick, supra note 15, at 386.

Along with this decline in production came a loss of jobs. An estimated 100,000 jobs were lost throughout the entire industry—20,000 in the general aviation manufacturing industry and 80,000 in related industries (e.g., aircraft sales and service).

During the 1980s accident litigation and defense costs in the general aviation industry steadily escalated. Aircraft manufacturers were forced to shift a greater proportion of their resources to defending lawsuits and compensating plaintiffs. "According to GAMA, in 1976, total product liability costs, including claim and defense costs for light aircraft airframe and component manufacturers, were $24 million." By 1986 the total costs of products liability for light aircraft reached $210 million. In 1987 the "Big Three" calculated that their "annual costs for product liability ranged from $70,000 to $100,000 per unit built and shipped during the year."

Manufacturers attributed the drop in general aviation aircraft production to the "tremendous increase in the industry's [products] liability insurance costs." According to Cessna Chairman, Russell W. Meyer, the reason for ceasing production of

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87 See id.
93 See Tarry & Truitt, supra note 23, at 179.
94 See id.
96 See id.
97 Tarry & Truitt, supra note 23, at 180.
single-engine airplanes was "[s]olely because of the unlimited cost of products liability." Manufacturers have the deepest pockets "in a chain of potential liability," but are the least responsible for the ongoing safety of aircraft produced many years ago. Thus, GARA's statute of repose would still allow potential plaintiffs to seek recovery from the party most directly responsible for their loss—e.g., a mechanic who negligently repaired a part or the manufacturer of a defective replacement part.

The industry argued that it deserved this legislative protection because plaintiffs continued to pursue litigation against manufacturers even when the National Transportation Safety Board (NTSB) accident findings did not uncover aircraft defects. Furthermore, GARA would enable the industry to avoid having to contend with the difficulties associated with constructing a good defense in actions concerning older products. These difficulties arise "because of the obstacle of securing evidence."

Proponents of the Act argued that its passage would lead to: (1) 25,000 new jobs in the industry within five years; (2) 100,000 new jobs within the support industries; (3) greater student pilot start-ups leading to an increased supply of pilots and aircraft mechanics; (4) increased spending on research and development; and (5) an improved balance of trade due to greater exporting. Cessna even promised to restart piston aircraft production and to produce 2000 new aircraft per year in

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99 Hearing on H.R. 3087 and S. 1458, supra note 89 (statement of Russell W. Meyer Jr., Chairman and CEO, Cessna Aircraft Co.).

100 Moffitt, supra note 9, at 223.

101 See id.


104 Id.

105 See Hearing on H.R. 3087 and S. 1458, supra note 89 (statement of Russell W. Meyer Jr., Chairman and CEO, Cessna Aircraft Co.).

106 See id.

107 See id.


109 See Hearing on H.R. 3087, supra note 85, at 51 (statement of Russell W. Meyer, Jr., Chairman and CEO, Cessna Aircraft Co.).
exchange for the passage of GARA. These predictions and promises, of course, assume that excessive liability was, in fact, the principal cause of the industry’s difficulties, and that a statute of repose is, in fact, a sufficient remedy.

Interestingly, the Aircraft Owners and Pilots Association (AOPA) also supported GARA. Pilots are frequently the plaintiffs in these lawsuits, and their support of the bill was certainly persuasive. Opponents of GARA were (and continue to be) baffled by the AOPA’s support and criticize its President, Phil Boyer, for having “sold out” its members by supporting the legislation.

2. The Oppositions’ Arguments to GARA

a. Why the General Aviation Industry does not Deserve GARA

The American Trial Lawyers Association (ATLA) and consumer groups such as Citizen Action and Public Citizen joined together to fight against enactment of GARA’s statute of repose. These groups were opposed to tort reform legislation favoring general aviation manufacturers for several reasons. First, they complained about the inequity in offering liability protection to a particular industry. They queried why an industry “that was enjoying great profitability [should] be granted tort immunity for up to 50 years of economic activity[.]” Beech and Cessna made record profits in 1992 and 1993. Total revenues in the industry hit $2.1 billion, the highest level since 1981. The opponents argued that the extent of the profitability of the “Big Three” as of 1992 was impressive: Cessna was sold to Textron for $100 million. Beech recorded its highest revenues ever. Cessna and Beech both tran-

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111 See Moffitt, supra note 9, at 221.
112 See Hearing on H.R. 3087, supra note 85, at 57 (statement of Phil Boyer, President, Aircraft Owners and Pilots Association).
114 See McAllister, supra note 3, at 309; England & McNatt, supra note 26, at 327.
115 Id. at 309 n.42.
116 See Philip Shuchman, It Isn’t That the Tort Lawyers Are So Right, It’s Just That the Tort Reformers Are So Wrong, 49 RUTGERS L. REV. 485, 530 (1997).
sitioned into production of corporate jets and multi-engine turbine aircraft. These aircraft are more profitable than single- or multi-engine light piston aircraft by a factor of ten. In light of this, ATLA argued that any reduction in liability would not assure production of light piston aircraft by the “Big Three.”

The opponents attacked the manufacturers’ allegation that products liability judgments had driven up insurance defense costs so high that aircraft could not be produced or sold at reasonable prices. They asserted that “[t]he problem is not one of excessive cost; the problem is one of limited demand. Pilots, businesses, flying clubs, fixed base operations—none of them buy new airplanes because they can get essentially the same thing for less money in a used airplane.” Used aircraft cost between one-half and one-fourth that of new aircraft and are considered by pilots to be of essentially the same quality.

Furthermore, during the 1950s, 1960s, and 1970s, the aviation industry flooded the market with airplanes. “The market matured and new sales collapsed. This had nothing to do with the costs of product liability, except that the cost of meeting the liability exposure of the entire fleet had to be spread over a greatly reduced number of new unit sales.”

ATLA also argued that limiting liability would deprive injured pilots and passengers of their rights to compensation. They insisted that “the fact that general aviation is viewed as an ‘inherently dangerous activity’ mitigates against any lessening of the standard of care applied to general aviation products.”

ATLA protested that the industry was not deserving of tort reform in light of “the laxity of [Federal Aviation Administration (FAA)] certification standards and the certification process.” The industry did not deserve GARA’s protection because “FAA certification standards with respect to [certain] safety issues . . . do not bring the number of defective products to an acceptable

119 McAllister, supra note 3, at 309 n.42.
120 See Hearing on H.R. 3087, supra note 85, at 111 (statement of Robert B. Creamer, Citizen Action).
121 Id.
122 See id. at 112.
123 See id.
124 Id.
125 See McAllister, supra note 3, at 309 n.42.
126 Id.
127 Id. at 309.
Furthermore, the general aviation manufacturing industry did not deserve special protection because of "manufacturer collusion in the National Transportation Safety Board (NTSB) accident investigations."\(^{129}\)

Opponents also argued that GARA would reduce manufacturers' financial incentives for providing aircraft safety and would "severely limit the rights of the innocent victims of aircraft accidents to receive fair compensation for their injuries."\(^{130}\)

### b. Why the Industry’s Arguments for GARA are Wrong

ATLA asserted that the general aviation industry’s decline was not due primarily to increased products liability costs, but rather to a variety of other factors. They argued that the decline was due to (1) industry mismanagement,\(^ {131}\) (2) increased fuel prices,\(^ {132}\) (3) the Gulf War,\(^ {133}\) (4) the elimination of the investment tax credit formerly applicable to the purchase of some aircraft,\(^ {134}\) (5) the lack of trained pilots,\(^ {135}\) (6) the increase in the market for used planes,\(^ {136}\) (7) the 10% luxury tax imposed in 1990,\(^ {137}\) (8) the durability, quality and longevity of existing aircraft,\(^ {138}\) (9) the increased availability of kit-type aircraft;\(^ {139}\) (10)

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\(^{128}\) Id. at 309 n.43. For example, "[t]he FAA did not require shoulder harnesses until 1973, even though it was known for years that they would materially cut down on fatalities in crashes." Hearing on H.R. 3087, supra note 85, at 116 (statement of Robert B. Creamer, Citizen Action). Furthermore, there were several types of aircraft that had chronic defects that went for several years without implementation of any FAA mandated corrective action programs:

- Cessna 411 with lack of rudder authority during single engine operations.
- Cessna 210 with bladder fuel tanks that trap water.
- Mooney Turbo 210 with vapor lock.
- V-Tail Beech Bonanzas with a basic design flaw due to lack of aeronautical knowledge during the 1950's.
- Lear 23 crashes ([of which] over 50% of the aircraft built have crashed).
- Piper Malibu with an unprecedented number of crashes due possibly to a defective autopilot.

\(^{129}\) McAllister, supra note 3, at 309 n.43.

\(^{130}\) McAllister, supra note 3, at 310.

\(^{131}\) Hearing on H.R. 3087, supra note 85, at 109 (statement of Robert B. Creamer, Citizen Action).

\(^{132}\) See Sanger, supra note 28, at 442.

\(^{133}\) See id.

\(^{134}\) See id.


the relatively inexpensive cost of buying used aircraft;\textsuperscript{140} (11) airline deregulation legislation resulting in lower prices and a surge in commercial airline traffic;\textsuperscript{141} and (12) concentration of the general aviation industry in the more profitable jet aircraft market.\textsuperscript{142}

Opponents rejected the manufacturers' theory that aviation liability insurance premiums would decline in the wake of GARA's enactment, because, they argued, the insurance rates did not increase in the first place because of the costs of claims.\textsuperscript{143} The insurance rate increase in the 1980s was attributable to "conditions in the investment markets, changes in insurance industry investment practices, and the so called 'insurance cycle.'"\textsuperscript{144} None of the changes in the cost of insurance premiums has any relationship to fluctuations in the volume of underlying claims.\textsuperscript{145} If the manufacturers want their insurance premiums to decrease, opponents argued, they should lobby Congress to address the liability insurance companies' practices, especially its uncompetitive nature.\textsuperscript{146}

Furthermore, opponents asserted, "[t]o significantly increase piston engine sales requires one of three factors: a significant increase in the number of piston engine pilots and hours flown; product innovation that gives a purchaser a reason to buy a new instead of used aircraft; or the rapid deterioration of many older piston airplanes."\textsuperscript{147} GARA will have no effect on any of these.\textsuperscript{148}

In addition, GARA "will not improve demand for piston engine airplanes"—it will merely cut manufacturers' costs.\textsuperscript{149} The opposition asserted,

Of course we could have the same effect by cutting the wages of employees, or cutting taxes, or providing an outright subsidy to these companies. We do not believe such a subsidy is warranted in this marketplace. But more important [sic], limiting the rights of victims to recover damages has two terrible side effects: it reduces the financial incentive to safety and it takes money

\textsuperscript{140} See id.
\textsuperscript{141} See id.
\textsuperscript{143} See Hearing on H.R. 3087, supra note 85, at 114 (statement of Robert B. Creamer, Citizen Action).
\textsuperscript{144} Id.
\textsuperscript{145} See id. at 115.
\textsuperscript{146} See id.
\textsuperscript{147} Id. at 113.
\textsuperscript{148} See id. at 114.
\textsuperscript{149} Id. at 115.
from those who should be the last to contribute—the victims of accidents.  

The opposition put it simply: Of course Cessna wants this bill. Cessna is currently liable for any accident that is the result of the negligent production or design of any of the 160,000 aircraft it has built that is still in service. Under this bill Cessna would be liable for only the 21,000 aircraft (only 13% of the total) that were built after 1976.

V. STATUTORY ANALYSIS

A. OVERVIEW

The General Aviation Revitalization Act amended the Federal Aviation Act by adding section 1119, which provides an eighteen year statute of repose on all civil actions for death, injury, or property damage caused by general aviation aircraft and their component parts. GARA prohibits a person from bringing suit for death, injury, or property damage that occurs while on board a general aviation aircraft that was manufactured more than eighteen years prior to the accident. GARA is a “rolling” statute of repose. This means that when a particular part in an aircraft is replaced by a new part, the eighteen year period begins again for the replacement part.

There are four instances in which GARA’s statute of repose will not be invoked: (1) when the manufacturer knowingly misrepresents certain safety information to the FAA; (2) when the injured person was a passenger for purposes of receiving treatment for a medical or other emergency; (3) when the injured person was not aboard the aircraft at the time of the accident; or (4) when a written warranty by the manufacturer provides for more than eighteen years protection.

B. THE EFFECTIVE DATE

The General Aviation Revitalization Act’s statute of repose became effective on the date of its enactment, which was August

150 Id. at 115-16.
151 Id. at 116.
152 See GARA §§ 2(a), 3(3).
153 See id.
155 See id.
156 See GARA §§ 2(b)(1)-(4).
The Act does not apply to civil actions commenced before the date of enactment.\textsuperscript{158}

The issue of GARA's effective date was addressed by a California federal district court in \textit{Altseimer v. Bell Helicopter Textron, Inc.}\textsuperscript{159} In \textit{Altseimer}, the accident occurred prior to August 17, 1994 (the effective date of the Act), but the plaintiffs did not file their complaint until May 23, 1995.\textsuperscript{160} The court rejected the plaintiffs' argument that GARA should not apply because the cause of action accrued prior to the effective date.\textsuperscript{161} The court held that because the plaintiffs' claims were filed after the effective date of the statute, their claims were subject to GARA's preemptive provisions.\textsuperscript{162}

The applicability provision was also interpreted in \textit{Cartman v. Textron Lycoming Reciprocating Engine Division},\textsuperscript{163} where the action accrued and the original complaint was filed prior to GARA's enactment.\textsuperscript{164} The issue in \textit{Cartman} was not whether the original cause of action was preempted by GARA's provisions. Rather, the plaintiff argued that his amended petition, joining another defendant and filed seven months after the effective date of GARA, related back to the original complaint and thus was not preempted by GARA.\textsuperscript{165} The court rejected the plaintiff's argument and treated the plaintiff's amended complaint as a separate claim.\textsuperscript{166} Thus, GARA precluded the products liability claim against the new defendant.\textsuperscript{167}

The \textit{Cartman} decision potentially affects those claims that were filed prior to GARA, but in which discovery is still active.\textsuperscript{168} GARA "erects a serious barrier to the addition of defendants through an amended complaint."\textsuperscript{169} Unless the plaintiff can demonstrate that the amended complaint relates back to the

\begin{itemize}
\item \textsuperscript{157} \textit{Id.} \textsection 4(a).
\item \textsuperscript{158} See \textit{id.} \textsection 4(b).
\item \textsuperscript{159} 919 F. Supp. 340 (E.D. Cal. 1996).
\item \textsuperscript{160} See \textit{id.} at 342.
\item \textsuperscript{161} See \textit{id.}
\item \textsuperscript{162} See \textit{id.}
\item \textsuperscript{164} See \textit{id.} at *6.
\item \textsuperscript{165} See \textit{id.} at *7.
\item \textsuperscript{166} See \textit{id.} at *8.
\item \textsuperscript{167} See \textit{id.} at *12.
\item \textsuperscript{168} See Steggerda, \textit{supra} note 62, at 200.
\item \textsuperscript{169} \textit{Id.}
\end{itemize}
original, the amended complaint will stand as a separate claim and will be subject to GARA’s statute of repose.\textsuperscript{170}

C. JURISDICTIONAL ISSUES

1. Federal Preemption of State Products Liability Law

GARA is the first piece of federal legislation to establish federal rules governing state products liability laws.\textsuperscript{171} The federal government has long been reluctant to impose federal regulations on issues that are traditionally governed by state common law, such as tort law.\textsuperscript{172} It has also been hesitant to impose national standards that preempt state law because it recognizes that “an individual’s right to sue is grounded in state common law that reflects the experiences of the legal system and the values of the citizens of a particular state.”\textsuperscript{173} The federal government also wants to avoid the likely procedural and jurisdictional confusion that accompanies such interference.\textsuperscript{174}

Clearly, Congress believed it was appropriate to impose regulations affecting state tort law concerning the general aviation industry.\textsuperscript{175} The general aviation industry was different because the industry is subjected to strict regulation by the federal government.\textsuperscript{176} The regulatory oversight exists from the cradle to the grave.\textsuperscript{177} There are federal inspections and certifications of aircraft;\textsuperscript{178} federal training, testing and certification of pilots;\textsuperscript{179} and FAA regulation of air routes, fuel handling operations and aviation accidents.\textsuperscript{180} Congress also justified its interference with state law by touting the statute as a very limited federal preemption.\textsuperscript{181}

GARA’s statute of repose does not affect state courts’ rights to adjudicate aviation products liability cases involving “claims for defective design or manufacture.”\textsuperscript{182} GARA only supersedes state law to the extent that a state’s law permits a such a civil

\textsuperscript{170} See id.
\textsuperscript{171} See Pournian & Rodriguez, supra note 4, at 160.
\textsuperscript{173} Id.
\textsuperscript{174} See id.
\textsuperscript{176} See id. at 6.
\textsuperscript{177} See id. at 5.
\textsuperscript{178} See id.
\textsuperscript{179} See id.
\textsuperscript{180} See id. at 6.
\textsuperscript{181} See id. at 4.
\textsuperscript{182} McAllister, supra note 3, at 312.
action to be brought after the eighteen year period. State products liability law continues to govern products liability actions for defective aircraft design or manufacture and state common law governs all actions for damages. GARA specifically states that its statute of repose "supersedes any State law to the extent that such law permits a civil action... to be brought after the applicable limitation period for such civil action...".

2. GARA Conferring Subject Matter Jurisdiction onto Federal Courts

An example of the limited nature of GARA's preemptive scope is found in *Wright v. Bond-Air, Ltd.*, where the defendants tried to use GARA as a means for conferring subject matter jurisdiction on the federal courts under 28 U.S.C. § 1331. In this case, James M. Wright, Jr. was flying a twin-engine Cessna when he was killed in a fatal crash. His estate filed a wrongful death and products liability lawsuit in state court, alleging negligence and breach of warranty. The defendants removed the case to federal court by asserting that the court had subject matter jurisdiction over the case. They argued that the case arose under federal law, e.g. GARA. The plaintiff moved to remand the case back to state court, based on lack of federal jurisdiction.

The defendants argued that federal jurisdiction was proper because, under the "artful pleading" exception to the well-pleaded complaint rule, the plaintiff had disguised the federal nature of its state law claim. The defendants argued that the plaintiff's claim did not mention GARA, but that the plaintiff's argument was framed in a manner designed to satisfy GARA's knowing misrepresentation exception. The defendants claimed that whether a GARA exception is satisfied is a federal question because the exception creates a "federal condition precedent that Plaintiff must necessarily plead and prove. Without

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183 See GARA § 2(d).
184 See McAllister, *supra* note 3, at 315-16.
185 GARA § 2(d).
187 See id. at 301.
188 See id.
189 See id.
190 See id.
191 See id.
192 See id. at 301-02.
193 See id. at 302.
194 See id. at 304-05.
such proof, a court cannot recognize that Plaintiff's state law
cause of action has accrued and cannot permit her state-law tort
claims to be litigated."\textsuperscript{195}

The defendants' clever argument did not persuade the court. The \textit{Wright} court concluded that GARA does not create a federal
cause of action.\textsuperscript{196} It is merely a statute of repose designed to
devise a "gatekeeping function."\textsuperscript{197} Congress did not intend to
create a body of federal common law and GARA does not pre-
empt a state's substantive law.\textsuperscript{198} Furthermore, "the mere fact
[that] GARA requires consideration of FAA regulations, does
not raise a sufficiently substantial federal issue so as to confer
federal question jurisdiction."\textsuperscript{199} The court noted, "'GARA
erects a formidable first hurdle' to a plaintiff bringing a product
liability lawsuit against a general aviation aircraft manufacturer,
but once a plaintiff 'leaps GARA's knowing misrepresentation
exception,' her case goes forward and she 'then faces the usual
product liability obstacles.'"\textsuperscript{200}

3. Application of GARA to Accidents Occurring Outside the United
States

Another jurisdictional issue that has arisen under GARA is
whether the Act applies to aviation accidents occurring in for-
eign countries. The United States District Court for the South-
ern District of Texas addressed this matter in \textit{Alter v. Bell Helicopter
Textron, Inc.}\textsuperscript{201} The plaintiffs in \textit{Alter} argued that
GARA did not apply to accidents occurring in a foreign country,
even when the suit was brought in the United States.\textsuperscript{202} The
court rejected the argument, holding that such an "interpretation of GARA would have the anomalous effect of preventing
litigants from bringing an action in the United States for an ac-
cident occurring in the United States while allowing litigants to
bring the same action in the United States if the accident oc-
curred abroad."\textsuperscript{203}

\textsuperscript{195} \textit{Id.} at 304.
\textsuperscript{196} \textit{See id.} at 305.
\textsuperscript{197} \textit{Id.}
\textsuperscript{198} \textit{See id.}
\textsuperscript{199} \textit{Id.}
\textsuperscript{200} \textit{Id.} (citing \textit{Rickert v. Mitsubishi Heavy Indus., Ltd.}, 929 F. Supp. 380, 383
(D. Wyo. 1996)).
\textsuperscript{201} 944 F. Supp. 531 (S.D. Tex. 1996).
\textsuperscript{202} \textit{See id.} at 541.
\textsuperscript{203} \textit{Id.}
D. **What Constitutes "General Aviation Aircraft?"**

GARA applies to accidents involving general aviation aircraft.\(^{204}\) "General aviation aircraft" is defined by the statute as:

[A] any aircraft for which a type certificate or an airworthiness certificate has been issued by the Administrator of the Federal Aviation Administration,

[B] which, at the time such certificate was originally issued, had a maximum seating capacity of fewer than 20 passengers, and

[C] 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 ... at the time of the accident.\(^{205}\)

The Act defines "general aviation aircraft" as "any aircraft . . .",\(^{206}\) but does not define the term "aircraft." However, the Federal Aviation Act does define the term.\(^{207}\) "Aircraft" means "any contrivance invented, used, or designed to navigate, or fly in, the air."\(^{208}\) "This broad definition includes virtually anything that is built with the intent of departing company with the ground," and would likely include helicopters, gliders, blimps, and hot air balloons.\(^{209}\)

To be considered a general aviation aircraft, the FAA must have issued the aircraft a type certificate or an airworthiness certificate.\(^{210}\) "Even if a certificate is suspended or revoked, all that appears to be required is the original issuance of the certificate by the FAA . . . ."\(^{211}\)

A type certificate is issued by the FAA to ensure the safety of "aircraft, aircraft engine[s], propeller[s] and appliance[s]."\(^{212}\) The FAA will only issue a type certificate when it has concluded that each submitted part "is properly designed and manufactured, performs properly, and meets the regulations and minimum standards prescribed."\(^{213}\) "Unlike airworthiness

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\(^{204}\) GARA § 2(a).

\(^{205}\) Id. at § 2(c).

\(^{206}\) Id.


\(^{208}\) Id.

\(^{209}\) Hedrick, *supra* note 15, at 388.

\(^{210}\) See GARA § 2(c).


\(^{213}\) Id. § 44704(a)(2).
certificates, type certificates are issued on approval of the design, specifications, and manufacturing process."

The FAA will issue an airworthiness certificate when it "finds that the aircraft conforms with its type certificate and, after inspection, is in condition for safe operation." They are issued upon request from an aircraft’s registered owner. This tends to be the original manufacturer and such request is typically made before the initial sale of the aircraft.

To qualify as a general aviation aircraft, an aircraft must have seated no more than twenty passengers at the time its type or airworthiness certificate was issued. "This figure does not include seating for the pilot and copilot, as they are considered 'crewmembers,' not 'passengers.'"216

The final requirement an aircraft must fulfill to be considered a general aviation aircraft is that it must not have been engaged in scheduled passenger-carrying operations at the time of the accident. Thus, "general aviation would not include scheduled air carrier services." The Code of Federal Regulations defines "scheduled passenger operations" as "holding out to the public of air transportation service for passengers from identified air terminals at a set time announced by timetable or schedule published in a newspaper, magazine, or other advertising medium." This requirement is included in GARA because scheduled air services are governed by stricter safety requirements regarding maintenance schedules.

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214 Hedrick, supra note 15, at 390.
216 See id.
217 See Hedrick, supra note 15, at 390. There are two types of airworthiness certificates, “standard” and “special.” Id. at 391. Standard airworthiness certificates are issued to “aircraft type certificated in the normal, utility, acrobatic, commuter, or transport category . . . .” Id. Special airworthiness certificates are “primary, restricted, limited, and provisional airworthiness certificates, special flight permits, and experimental certificates.” Id. (quoting 14 C.F.R. § 21.175(a) (1996)). This definition brings home-built aircraft under the definition of general aviation aircraft when they are issued experimental special airworthiness certificates. See id. This is important because the kit aircraft that are so popular today will be protected by GARA’s repose period. Id. at 390-91.
218 See GARA § 2(c).
219 Hedrick, supra note 15, at 391 (citing 14 C.F.R. § 129.25 (a)(3) (1997)).
220 See GARA § 2(c) (emphasis added).
221 Hedrick, supra note 15, at 392.
222 14 C.F.R. § 108.3(e) (1997).
223 See Hedrick, supra note 15, at 393.
E. The Eighteen-Year Statute of Repose

Section 2 of the General Aviation Revitalization Act determines when the running of the statute of repose commences and what type of conduct will trigger the statute. The section provides that

no civil action 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.

Under GARA, an accident must have occurred during the repose period for a plaintiff to retain his cause of action.224 The date of filing is irrelevant.225 Under GARA, as long as the accident that caused the injury occurred within the repose period, the lawsuit need only be filed within the applicable statute of limitations.226 GARA’s eighteen-year statute of repose on manufacturers begins to run:

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

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

(C) with respect to a new or replacement part, on the date of completion of the addition or replacement.227

When the aircraft is originally manufactured, the entire aircraft is governed by the eighteen year repose period. As components of the aircraft are replaced,228 the repose period for each new part will be a new eighteen years.229 Thus, a plaintiff has eighteen years from the date of installation of the new part to bring suit even if the airplane itself was older than eighteen years.

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224 GARA § 2(a).
225 See Hedrick, supra note 15, at 394.
226 See id.
227 See id.
228 See GARA §§ 2(a)(1)(A)-(B), 2(a)(2).
229 Component parts are replaced as required by federal regulations and manufacturer’s recommendations. See Sanger, supra note 28, at 144. Commonly replaced parts include propellers and engines. See id. Hence, even though the repose period no longer applies to the airframe, the components that make up the remainder of the aircraft will continually fall within the eighteen year repose period. See id.
230 See id.
years.\textsuperscript{231} The plaintiff cannot allege that the plane itself was defective; he is limited to arguing that the replacement part was defective.\textsuperscript{232}

A manufacturer who asserts the GARA defense will have the burden of proving the aircraft's date of delivery.\textsuperscript{233} What constitutes "delivery of the aircraft" may become a pivotal issue in some GARA cases and jurisdictions may differ in their interpretation of the term.\textsuperscript{234}

Another term that could create confusion is the requirement that the damage arise "out of an accident."\textsuperscript{235} Although GARA does not define "accident," the Code of Federal Regulations provides some guidance by defining the term "aircraft accident" as "an occurrence associated with the operation of an aircraft which takes place between the time any person boards the aircraft with the intention of flight and all such persons have disembarked, and in which any person suffers death or serious injury, or in which the aircraft receives substantial damage."\textsuperscript{236} GARA was probably not intended to cover only those injuries falling under this narrow definition.\textsuperscript{237} Because this definition is codified in the part of the Code of Federal Regulations regarding notification and reporting of incidents and accidents,\textsuperscript{238} it is not binding on GARA.\textsuperscript{239} A broader definition of the term is found in the United States Supreme Court case concerning the Warsaw Convention, \textit{Air France v. Saks}.\textsuperscript{240} In this case, the term accident is defined as an occurrence "caused by an unexpected or unusual event or happening that is external to the passenger."\textsuperscript{241}

Because the average single engine aircraft is thirty-one years old,\textsuperscript{242} the original airframe manufacturer of most aircraft is immune from liability due to expiration of the statute of repose.\textsuperscript{243}

\textsuperscript{231} See MacDougall, \textit{supra} note 7, at 340.
\textsuperscript{232} See \textit{id}.
\textsuperscript{233} See Hedrick, \textit{supra} note 15, at 394.
\textsuperscript{234} \textit{Id}.
\textsuperscript{235} GARA § 2(a); Hedrick, \textit{supra} note 15, at 394.
\textsuperscript{236} 49 C.F.R. § 830.2 (1997).
\textsuperscript{237} See Hedrick, \textit{supra} note 15, at 395.
\textsuperscript{238} 49 C.F.R. § 830.1(a) (1996).
\textsuperscript{239} See Hedrick, \textit{supra} note 15, at 395.
\textsuperscript{240} 470 U.S. 392 (1985).
\textsuperscript{241} \textit{Id} at 405.
\textsuperscript{242} As of 1993, the average age of a single engine aircraft was twenty-seven years. See S. REP. NO. 103-202, at 3 (1993).
\textsuperscript{243} See Sanger, \textit{supra} note 28, at 444; see also Hedrick, \textit{supra} note 15, at 395.
However, the component part manufacturers remain subject to suit because many of the aircraft’s parts have been replaced within the last eighteen years.\textsuperscript{244}

A thorough review of the legislative history of GARA provides little insight as to how the eighteen year repose period was agreed upon. In fact, the justification for the statute of repose was articulated in House Report 103-525(I), which states, "[i]t is extremely unlikely that there will be a valid basis for a suit against the manufacturer of an aircraft that is more than 18 years old. Nearly all defects are discovered during the early years of an aircraft’s life."\textsuperscript{245} This so-called ‘justification’ enabled the proponents of the legislation to claim that GARA was fair to both consumers and manufacturers.\textsuperscript{246}

In reality, this ‘justification’ is “based on a misguided presumption regarding products liability law—that all product defects will surely surface within the first eighteen years of an aircraft’s life. Although this presumption may be true for manufacturing defects, it is by no means accurate where design defects are concerned.”\textsuperscript{247} “When a product fails during normal use in the early part of its life span, the reason for the failure can almost always be attributed to a manufacturing defect. Responsible manufacturers do not design their products to fail so close to the starting line.”\textsuperscript{248}

With [thirty-one] years representing the average age of general aviation aircraft in this country, and forty or fifty years often representing the useful life of such aircraft, the eighteen-year statute of repose contained in the 1994 Act may be said to cover only ‘the early part’ of an aircraft’s life span. If this is true, the misguided presumption upon which the 1994 Act is based will leave many legitimate design defect claimants without legal recourse.\textsuperscript{249}

GARA’s eighteen-year repose period is arguably arbitrary and capricious. It does not correspond to the useful life of general aviation aircraft,\textsuperscript{250} which is generally forty to fifty years, nor

\textsuperscript{244} See Sanger, \textit{supra} note 28, at 444.
\textsuperscript{246} See Shea, \textit{supra} note 16, at 784.
\textsuperscript{247} Id.
\textsuperscript{248} Id. (quoting JAMES A. HENDERSON, JR. & AARON D. TURENZKI, \textit{PRODUCTS LIABILITY: PROBLEMS AND PROCESSES} 564 (2d ed. 1992) (emphasis deleted)).
\textsuperscript{249} Id.
\textsuperscript{250} Several state statutes of repose bar causes of action when the injury occurs after the useful safe life of the product. See \textit{IDAHO CODE} § 6-1303 (1990); \textit{KAN.}
does it relate to the average age of general aviation aircraft in the country (thirty-one years). In fact, it is roughly one-half of the latter and one-third of the former.

F. WHO MAY ASSERT THE GARA DEFENSE?

Section 2(a) of the General Aviation Revitalization Act prevents suits against: "[(A)] the manufacturer of the aircraft or [(B)] the manufacturer of any new component, system, subassembly, or other part of the aircraft, in its capacity as manufacturer . . . ." Only manufacturers are protected by GARA. GARA applies "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 . . . ." Thus, GARA protects manufacturers of aircraft parts if an accident occurred after the part had been in use for over eighteen years. When a part has been replaced by a new part or when a new part is added to an aircraft, the eighteen-year statute of repose applies. The repose period begins to run "on the date of completion of the replacement or addition" of those parts.

It is unclear whether dealers, distributors, sellers, and lessors fall within the definition of manufacturers. On its face, the statute does not protect them; however, some states have enacted statutes that include these entities in their definition of "manufacturer" for products liability purposes.

In the aviation industry, it is common for consignment to occur—for a manufacturer to retain ownership of an aircraft while allowing the dealer to market and sell the product. Although the manufacturer "owns" the aircraft, it has delivered the prod-

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Footnotes:

\(^{251}\) See England & McNatt, supra note 26, at 325.

\(^{252}\) GARA § 2(a).

\(^{253}\) See Hedrick, supra note 15, at 396.

\(^{254}\) GARA § 2(a)(2).

\(^{255}\) Id.

\(^{256}\) See id.

\(^{257}\) Id.

\(^{258}\) See Hedrick, supra note 15, at 397.

\(^{259}\) See id. In California, the term "manufacturer" includes "any . . . distributor of a manufacturer who sells, transfers, or exchanges an appliance to or with a retailer." Cal. Bus. & Prof. Code § 22410(b) (West 1997).

\(^{260}\) See Sanger, supra note 28, at 443.
uct “to a person ‘engaged in the business of selling or leasing such aircraft . . . ’.”\(^{261}\) Thus, the eighteen-year period begins running from the time the aircraft is delivered to the dealer. Whereas the manufacturer is protected by GARA’s statute of repose, the dealer is probably not.

While a manufacturer is protected by the statute, it is unclear whether a remanufacturer\(^{262}\) or component parts overhauler\(^{263}\) is protected by GARA’s statute of repose.\(^{264}\) Arguably, they are not protected by GARA because they are not manufacturers of “new” components, systems, subassemblies, or other parts of the aircraft. However, a rebuilt part could be considered “new” under GARA.\(^{265}\) Because a rebuilt part must meet the same stringent criteria as a new part, there is a strong argument that it should be considered as such under GARA.\(^{266}\) If a rebuilt part is considered a new part, the running of the statute will start anew when the rebuilt part is placed on an aircraft.\(^{267}\)

Manufacturers of overhauled parts will not be able to assert the remanufacturers’ argument. Overhauled parts are not subject to the same stringent requirements as a new part, and thus, an overhauler’s ability to assert GARA as a defense will likely be determined on a case-by-case basis.\(^{268}\) “The nature and extent of the overhaul will be decisive.”\(^{269}\)

GARA will only protect a manufacturer “in its capacity as a manufacturer.”\(^{270}\) “When the manufacturer acts in any capacity other than [in] its role in the manufacturing of the original

\(^{261}\) Id. (quoting GARA § 2(a)(1)(B)).

\(^{262}\) Although the term “remanufacturer” is not defined in any federal statute, rule or regulation, it has been defined by some states in the aviation context. For example, the state of Pennsylvania defines “remanufacture” as “the disassembly of such aircraft, vehicles, parts or components, including electric or electronic components, the integration of those parts and components with other used or new parts or components, including the salvaging, recycling or reclaiming of the used parts or components and the assembly of the new or used aircraft, vehicles, parts or components.” 72 PA. CONS. STAT. ANN. § 7201(c)(7) (West 1997). See infra notes 349-53 and accompanying text.

\(^{263}\) A component parts overhauler examines the aircraft thoroughly and makes necessary repairs or adjustments.


\(^{265}\) See id. at 403.

\(^{266}\) See id.

\(^{267}\) An entity that is not the original manufacturer, but that is in the business of rebuilding parts, will argue that it is a manufacturer and entitled to assert the GARA defense. See id. at 403.

\(^{268}\) See id.

\(^{269}\) Id.

\(^{270}\) GARA § 2(a)(2).
part, it loses the protection of GARA to the extent that its role caused or contributed to the accident."\textsuperscript{271} Since many manufacturers provide overhaul, rebuilding services, and maintenance services, their work in those capacities may be susceptible to suit after the expiration of the period of repose.\textsuperscript{272}

GARA does not apply to used replacement parts or additions.\textsuperscript{273} In \textit{Estate of Glover v. American Resource Corp.},\textsuperscript{274} the California Superior Court held that "once a part is originally installed on an aircraft, GARA's eighteen year statute of repose begins to run, even when the part is removed and installed as a used part on another aircraft."\textsuperscript{275} The \textit{Glover} court also held that for GARA to apply, a defendant manufacturer who performs maintenance on a part subsequent to manufacture must prove it did not replace any part with a new part.\textsuperscript{276}

**G. Exceptions to the Application of GARA's Statute of Repose**

1. \textit{Misrepresentation and Fraud Exception}

GARA allows a plaintiff to file suit against a manufacturer after the eighteen-year repose period has expired when the plaintiff proves the manufacturer knowingly misrepresented, concealed, or withheld from the FAA a defect that caused the harm.\textsuperscript{277} This exception applies only in personal injury actions, not property damage cases.\textsuperscript{278}

The fraud exception requires the plaintiff to:

(A) prove that the manufacturer misrepresented, concealed or withheld required information relating to a type certificate or airworthiness certificate or an obligation with respect to the continuing airworthiness of an aircraft or a component, system subassembly, or other aircraft part.

(i) The information misrepresented, concealed, or withheld must be material and relevant;

\textsuperscript{271} Hedrick, \textit{supra} note 15, at 399.
\textsuperscript{272} See id.
\textsuperscript{273} See id. at 401.
\textsuperscript{275} Hedrick, \textit{supra} note 15, at 402.
\textsuperscript{276} See id.
\textsuperscript{277} See GARA § 2(b)(1).
\textsuperscript{278} See Sanger, \textit{supra} note 28, at 446.
(ii) the information must have been misrepresented knowingly (whether it must have been concealed or withheld knowingly is unclear); and 

(iii) the conduct must have been causally related to the harm suffered (i.e., death, personal injury, property damage).279

(B) plead with specificity.280

GARA requires that a plaintiff who asserts the misrepresentation/fraud exception plead with specificity to avoid frivolous claims or claims unsupported by the evidence.281 In other words, the claimant must "affirmatively set forth the facts supporting each allegation."282

Plaintiffs often have a difficult time satisfying the requirements of this exception, because they must prove (a) the manufacturer knowingly misrepresented and (b) the misrepresented condition was causally related to the injury suffered by the plaintiff.283 The 'knowledge’ element is difficult to satisfy because it is unlikely that a claimant would have access to such information from the manufacturer about the aircraft.284 The ‘causation’ element is also difficult to prove.285

In aircraft accidents, the evidence may be completely destroyed by impact or fire. Thus, product failure in the first place may be difficult, if not impossible, to establish. When that is the case, the burden of proof for asserting the exception of misrepresentation or failure to disclose may be insurmountable.286

In order for the misrepresentation exception to GARA to apply, the information at issue must have been "knowingly misrepresented to the Federal Aviation Administration, or concealed

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279 The statute reads as follows: "if the claimant pleads... the facts necessary to prove... that the manufacturer... knowingly misrepresented to the Federal Aviation Administration, or concealed or withheld from the Federal Aviation Administration, required information..." GARA § 2(b)(1).

280 See id.

281 See Hedrick, supra note 15, at 405-06.

282 Id.

283 See Sanger, supra note 28, at 446.

284 See Hedrick, supra note 15, at 406. The question of pre-trial discovery thus remains unanswered. How far will a court allow a plaintiff to search for information relevant to the alleged misrepresentations? In Rickert v. Mitsubishi Heavy Indus., Ltd., the defendant had been "less than forthcoming" with its discovery responses and the court ordered additional discovery. 929 F. Supp. 380, 381 (D. Wyo. 1996).


286 Id.
or withheld from the Federal Aviation Administration . . . "

Because the word "knowingly" only precedes the word "misrepresented," it is arguable that the intent element applies only to misrepresentation and not to concealment or withholding.

In practice, the misrepresentation exception to GARA has been difficult for plaintiffs to satisfy. In *Rickert v. Mitsubishi Heavy Industries, Ltd.*, a pilot and three passengers were killed when a twenty-one-year-old Mitsubishi twin-engine aircraft crashed into a mountain range near Casper, Wyoming. Rickert claimed that the accident was caused by in-flight accumulation of ice on the aerodynamic surfaces of the aircraft which resulted in a loss of control. The plaintiff alleged that the aircraft was negligently and defectively designed and that Mitsubishi had knowingly misrepresented, concealed, or withheld required information from the FAA regarding aircraft controllability in atmospheric icing conditions. Rickert further alleged that the defendant had submitted false flight reports to the FAA and had failed to report numerous other defects.

The evidence presented to the court consisted of expert testimony regarding the aircraft's design and whether the plane met the FAA certification requirement. The court granted the defendant's motion for summary judgment, holding that "Rickert [could not] avoid GARA's period of repose simply by dressing up her evidence . . . as 'misrepresentations' and 'concealments.'" The court noted that the expert reports and evidence, if true, at most supported an allegation that Mitsubishi was "obstinate [sic], short-sighted, negligent and perhaps reckless" when it designed and manufactured the aircraft. However, this evidence did not prove that Mitsubishi knowingly misrepresented to or concealed anything from the FAA.

The court further held that GARA required specificity—not merely "innuendo and inference."

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287 GARA § 2(b)(1).
290 See id. at 1454.
291 See id.
292 See id. at 1457.
293 See id.
294 See id. at 1457-62.
295 Id. at 1462.
296 Id. at 1461.
297 See id. at 1461-62.
298 Id. at 1462.
Rickert filed a motion to reconsider, arguing that the defendant had stonewalled the plaintiff's earlier discovery efforts. The court granted the motion, stayed the summary judgment order, and allowed further discovery.

After discovery was completed and new evidence was heard, the court reversed its summary judgment order. Rickert produced affidavits of a former Mitsubishi director of flight operations and an international vice-president. Both witnesses claimed that Mitsubishi had withheld information from the FAA concerning icing problems with this aircraft. The court ruled that this information satisfied the GARA requirement of producing evidence and created a genuine issue of material fact concerning a known misrepresentation or concealment.

The Rickert court held that the knowing misrepresentation exception is satisfied if the plaintiff can prove with specificity the following elements: "(1) knowledge; (2) misrepresentation, concealment, or withholding of required information to or from the FAA; (3) materiality and relevance; and (4) a causal relationship between the harm and the accident." The court noted that the plaintiff "cannot withstand a GARA-based motion for summary judgment simply by creating a genuine issue of material fact concerning . . . negligence or strict liability." This case clearly applies the knowledge requirement to all three elements: misrepresentation, concealment, and withholding. The court did not consider that the knowledge requirement applied only to the misrepresentation element as the statute reads on its face.

In Cartman v. Textron Lycoming Reciprocating Engine Div., the misrepresentation exception was again at issue. The plaintiff in Cartman suffered injuries when the aircraft he was piloting crashed. The plaintiff presented a memorandum to the court that was written by a representative of the defendant corpora-

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300 See id.
301 See id. at 384.
302 See id. at 382.
303 See id.
304 See id. at 383.
305 Id. at 381.
306 Id.
308 See id. at *2.
tion in order to prove that the defendant "knowingly misrepresented, concealed and withheld information regarding the safety of the composite float to and from the Federal Aviation Administration."\textsuperscript{309} The plaintiff argued that the memorandum "misrepresented to the FAA that auto fuel, rather than known design and manufacturing defects, accounted for the composite float's propensity to cause unexpected engine failure."\textsuperscript{310} The plaintiff "never explicitly assert[ed]" that the defendant had knowledge of the memorandum, but did assert that the "defendant was aware of the alleged design and manufacturing defects in the float."\textsuperscript{311}

The court granted the defendant's motion for summary judgment and held that the period of repose is not waived merely because a defendant failed to inform the FAA about possible safety concerns regarding a part or possible misrepresentation by other parties.\textsuperscript{312} In order to prove misrepresentation, the court held that a plaintiff must prove either (1) a misrepresentation or concealment of information with respect to a type of airworthiness certificate or (2) that proof exists that the manufacturer violated his obligations to submit to the FAA information with respect to the continuing airworthiness of the component part.\textsuperscript{313} A plaintiff must also prove that the manufacturer had an affirmative duty to provide the information to the FAA.\textsuperscript{314} This can be proven through statute, case or regulation.\textsuperscript{315} The court refused to infer a duty to volunteer information to the FAA that is "(1) not required by statute or regulation, (2) not in response to a direct inquiry by the FAA, or (3) not necessary in order to correct information previously supplied by the defendant to the FAA."\textsuperscript{316}

2. \textit{Emergency Exception}

The statute of repose does not apply to a passenger who is being transported in a general aviation aircraft for the purpose "of receiving treatment for a medical or other emergency."\textsuperscript{317}

\textsuperscript{309} Id. at *9-10.
\textsuperscript{310} Id. at *10.
\textsuperscript{311} Id.
\textsuperscript{312} See id.
\textsuperscript{313} See id. at *11.
\textsuperscript{314} See id.
\textsuperscript{315} See id.
\textsuperscript{316} Id.
\textsuperscript{317} GARA § 2(b)(2).
The policy behind this exception is that a medical patient typically is unable to choose to fly in an aircraft that is less than eighteen years old.\footnote{See Hedrick, supra note 15, at 413.} The emergency provision may be interpreted in two different ways.\footnote{See Sanger, supra note 28, at 445.} A narrow reading would exempt a passenger only when he was being transported by the aircraft in a medical emergency.\footnote{See id.} A broader interpretation of the provision would allow suit by a plaintiff who was being transported in a medical emergency or any other type of emergency, including those that are not necessarily medically related.\footnote{See id.} For example, if a single-engine helicopter rescued a person from the top of a building in a flood and the helicopter crashed, the person could retain his right to sue the manufacturer.\footnote{See id.} Thus, under this broad statutory interpretation, recovery would hinge on what courts consider an "emergency." Whether courts will interpret the provision narrowly or broadly remains to be seen.

In addition, it is unclear what constitutes a "passenger."\footnote{See Hedrick, supra note 15, at 413.} Whereas pilots, flight engineers, and flight navigators are considered "flightcrew,"\footnote{See 14 C.F.R. § 1.1 (1998).} medical and rescue personnel are not and thus may be considered passengers.\footnote{See Hedrick, supra note 15, at 413.} This interpretation would be consistent with the exception's underlying policy concerning lack of choice.

3. Exception for Persons Not On Board at Time of Accident

GARA only bars claims by persons who were on board the aircraft at the time of the accident.\footnote{GARA § 2(b)(3).} Consequently, a person traveling in another aircraft who is involved and injured in a mid-air collision would not be barred from suing after the repose period had expired.\footnote{See Sanger, supra note 28, at 444.} Nor would a person who is on the ground at the time of accident.\footnote{See id.} This exception was likely intended to protect those plaintiffs who have not voluntarily subjected themselves to general aviation aircraft, while still prohibiting actions
by those injured plaintiffs who knowingly and voluntarily choose to fly in this class of aircraft.329

4. Warranty Exception

A suit may be brought under a manufacturer’s warranty if the warranty period exceeds eighteen years.330 Since warranties of this type typically are made through the manufacturer’s “marketing materials, sales presentations, or formal written warranties[,]” litigation under this exception will likely be concerned with whether a warranty exists.331 Whether a warranty exists will be determined by the provisions of the Uniform Commercial Code, which define the requirements of a warranty.332

VI. THE EFFECTS OF GARA

A. GARA’S EFFECT ON INDUSTRY LIABILITY

Although GARA was intended to free up money for research, development, and production of general aviation aircraft, there remain powerful incentives for the “Big Three” to focus their efforts on turbine and jet aircraft production: profitability and marketability.333 Single-engine aircraft are neither as profitable nor as marketable as turbine and jet aircraft.334 “GARA simply frees up funds previously used in litigation defense” for use in producing turbine and jet aircraft, for which there is proven market demand.335 There is no requirement that these established manufacturers re-start production of light piston aircraft.336 “Established manufacturers’ willingness to rise to the challenge of engaging in large scale production to replace aging general aviation fleets is questionable. More likely, these manufacturers may use the reduced liability savings to pad more profitable ventures.”337

329 See id. at 444-45.
330 See GARA § 2(b)(4); see also Sanger, supra note 28, at 446.
331 Sanger, supra note 28, at 446.
332 See id.
333 See McAllister, supra note 3, at 316.
334 See id.
335 Id. at 319.
336 See id. “It is difficult to believe that the primary sponsors of the relief legislation did not strike some bargain with Cessna and the other manufacturers to open new production facilities and provide new jobs as part of the package for their support.” Tarry & Truitt, supra note 23, at 198.
337 McAllister, supra note 3, at 316-17.
It is unlikely that purchasers of general aviation aircraft will be provided new product choices as a result of GARA.\textsuperscript{338} The "Big Three" have no incentive to expend their resources on new, state-of-the-art product lines.\textsuperscript{339} In fact, just the opposite is true. Producing new lines exposes them to liability. They are thus more likely to re-produce twenty-plus year-old designs (if, in fact, they resume production of light piston aircraft at all).\textsuperscript{340}

B. GARA's Effect on Small Manufacturers

GARA does nothing to bolster opportunities for new manufacturers and suppliers eager to enter the market. For those start-up manufacturers and suppliers, eighteen years of liability exposure must be factored into financial plans and could be prohibitive.\textsuperscript{341} Because insurers are unwilling to insure unless there is a proven track record of safe operation, these new manufacturers and suppliers will likely find themselves unable to enter the market.\textsuperscript{342} This effectively makes 'Big Three' 1970's product lines freshly competitive in a market better suited to innovation and small production runs. The threat of 'Big Three' production of proven product lines may force small manufacturers to leave the market or abort start-up, with no assurance [that] the 'Big Three' will re-start large-scale production or ensure the marketability of light piston general aviation aircraft.\textsuperscript{343}

"This is unfortunate. Small manufacturers are the only innovators in the industry, and their continued success and viability is put in jeopardy by GARA."\textsuperscript{344}

C. GARA's Effect on Component Parts Manufacturers

For all practical purposes, GARA does nothing to protect manufacturers of engines and component parts from liability exposure.\textsuperscript{345} Because these parts are either replaced or ordered by the Federal Aviation Regulations to be redesigned before eighteen years have elapsed, these manufacturers will face continual

\textsuperscript{338} See id. at 319.  
\textsuperscript{339} See id.  
\textsuperscript{340} See id.  
\textsuperscript{341} See id. at 317.  
\textsuperscript{342} See id.  
\textsuperscript{343} Id.  
\textsuperscript{344} Id. at 319.  
\textsuperscript{345} See id. at 317.
liability exposure. These component parts manufacturers will thus become the new "deep pocket" in aviation products liability litigation. They will now be bearing their pre-GARA liability plus the redirected liability. These companies' likely unwillingness and/or inability to accept this shift in liability exposure will almost certainly affect the future of GARA and the general aviation industry as a whole. It will likely result in increased insurance premiums for these actors, who will pass the costs on to their consumers. "The net outcome will be higher component prices for aircraft owners."

Although GARA protects manufacturers of new general aviation aircraft and component parts, it is unclear whether this provision protects companies that remanufacture, rebuild, or overhaul component parts. Remanufacturing consists of removing a part from an aircraft and sending it "to the factory or another parts remanufacturer who then reconstructs the component so that it meets the same standards as a new part. Generally, remanufactured parts are viewed as functionally equivalent to new components." This process is popular because such recycled parts are less expensive than purchasing new parts. It is common in the general aviation industry for remanufactured parts to be used. For example, radios, alternators, and engines may be remanufactured. Remanufacturing may be done by both original manufacturers and third-party remanufacturers.

As previously stated in Part V.F., there is no guidance as to whether a remanufacturer or component parts overhauler is protected by GARA's statute of repose. Arguably, they are not protected by GARA because they are not manufacturers of "new" components, systems, subassemblies, or other parts of the aircraft. However, a rebuilt part could be considered "new"
under GARA, because a rebuilt part must meet the same stringent criteria as a new part.\textsuperscript{359} If a rebuilt part is considered a new part, the running of the statute will start anew when a rebuilt part is placed on an aircraft.\textsuperscript{360}

Manufacturers of overhauled parts will not be able to assert the remanufacturers' argument. Overhauled parts are not subject to the same stringent requirements as new parts and thus, an over hauler’s ability to assert GARA as a defense will likely be determined by evaluating the nature and extent of the overhaul on a case-by-case basis.\textsuperscript{361}

D. GARA'S EFFECT ON OTHER INDUSTRY ACTORS

GARA does not insulate the aviation service industry from liability exposure.\textsuperscript{362} Because plaintiffs join as many defendants as possible in hopes of recovering complete financial relief, maintenance shops, pilots, mechanics, fixed base operators, fuel suppliers, air traffic controllers, and airport authorities are easy targets.\textsuperscript{363} "With fewer 'deep pocket' manufacturers available as defendants, plaintiffs will resort to collecting [from] a larger pool of smaller defendants. As most maintenance shops are small and poorly capitalized, this vital piece of general aviation infrastructure is exposed to much more potential liability" with the enactment of GARA.\textsuperscript{364}

As stated previously in Part V.F., consignment commonly occurs in the aviation industry—where a manufacturer retains ownership of an aircraft while the dealer markets and sells the product.\textsuperscript{365} Although the manufacturer "owns" the aircraft, it has delivered the product "to a person engaged in the business of selling or leasing such aircraft . . ."\textsuperscript{366} Thus, the manufacturer is protected by the statute, while the dealer is probably not.\textsuperscript{367} As a result, dealers will likely be targets for plaintiffs in suits alleging defective aircraft.\textsuperscript{368} The dealer will be unable to

\textsuperscript{359} See Hedrick, supra note 15, at 402-03.
\textsuperscript{360} An entity that is not the original manufacturer, but that is in the business of rebuilding parts, will argue that it is a manufacturer and entitled to assert the GARA defense. See id. at 403.
\textsuperscript{361} See id.
\textsuperscript{362} See McAllister, supra note 3, at 318.
\textsuperscript{363} See id.; see also Sanger, supra note 28, at 460.
\textsuperscript{364} McAllister, supra note 3, at 318.
\textsuperscript{365} See supra Part V.F.; see also Sanger, supra note 28, at 443.
\textsuperscript{366} GARA § 2(a)(1)(B); see also Sanger, supra note 28, at 443.
\textsuperscript{367} See Sanger, supra note 28, at 443.
\textsuperscript{368} See id. at 461.
split payment of a plaintiff’s judgment with the manufacturer and will be unable to recover contribution from the manufacturer. Because the manufacturer is immune from liability, the dealer will be responsible for bearing the entire burden of a judgment in those states with joint and several liability laws. The dealer will also bear the entire cost of defending the suit. This could result in the “elimination of independent dealers and implementation of factory direct retail sales.”

However, “[w]hile GARA affords protection to manufacturers in their capacity as manufacturers, that protection may not include retail sales activity.” A literal interpretation of the statute indicates that only those activities directly related to the manufacture of the aircraft will be shielded under GARA. Thus, “once the manufacturer begins selling the aircraft, it again becomes vulnerable to suit.” Plaintiffs will likely attempt to circumvent the statute by suing the manufacturer in its capacity as a retailer and alleging strict tort liability and/or failure to inform and warn. Should the courts, however, decide to interpret the statute as including ‘retail sales’ in its definition of ‘manufacturing’, independent dealers will be subjected to conducting business on an uneven playing field. This could have a devastating effect on independent dealers.

Pilots are also likely to become targets of aviation litigation as a result of GARA. General aviation insurance companies have already announced that pilots and mechanics will be subject to insurance premium increases as a result of the enactment of GARA.

A manufacturer’s employees may also be held individually liable for product failures under GARA. GARA’s statute of reposition reallocates the risk of accident from the manufacturer of the aircraft onto everyone else associated with the aircraft.

369 See id. at 461-62.
370 See id. at 462.
371 See id.
372 Id.
373 Id. at 463.
374 See id.; see also GARA § 2(a) (“no civil action . . . may be brought against the manufacturer . . . in its capacity as a manufacturer . . . .”).
375 Sanger, supra note 28, at 463.
376 See id.
377 See id.
378 See id. at 460.
379 See Pounian & Rodriquez, supra note 4, at 161.
380 See Sanger, supra note 28, at 463.
E. GARA's Effect on Consumers

Oftentimes, the consumers of general aviation aircraft become plaintiffs when accidents occur. The policy behind excluding consumer accident victims from recovering from manufacturers even when there existed a legitimate design or manufacturing defect is that the consumers voluntarily assumed the risk of the accident. The consumer is assumed to have accepted the risk of accident voluntarily and is presumed to know the age of the aircraft and its component parts. However, it is likely that a consumer and certainly a passenger will not have this information. Many aircraft manufactured in the 1970s look virtually identical to those manufactured in the late 1980s—“general aviation aircraft . . . have changed very little in the past twenty-five years.” “Even pilots have difficulty distinguishing the two generations of aircraft, let alone the average business traveler.” “[A] passenger may board a twenty-year old aircraft and be precluded from filing suit even though that person is under the impression that the aircraft is relatively new.”

VII. LEGAL CHALLENGES TO GARA

A. Constitutionality of a Statute of Repose

Whereas a statute of limitations extinguishes, after a period of time, the right to bring an accrued cause of action, a statute of repose limits potential liability by restricting the time during which a cause of action can arise. A statute of repose cuts off a plaintiff's right to bring a cause of action after a specified time, measured from the delivery of a product, regardless of the time of accrual of the cause of action. It “extinguishes a [plaintiff’s] cause of action before it can even arise.”

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381 See id. For a more in-depth discussion on the topic of allowing informed consumers to allocate their own risk regarding defective products, see Alan Schwartz, Proposals for Products Liability Reform: A Theoretical Synthesis, 97 YALE L.J. 353 (1988).
382 See Sanger, supra note 28, at 463.
383 See id.
384 Id. at 463-64.
385 Id. at 463.
386 Id. at 464.
388 See id.
389 Sanger, supra note 28, at 447.
To date, there have been no reported cases challenging the constitutionality of GARA. Since most tort law, and thus most statutes of repose, are governed by state law, most constitutional challenges to statutes of repose have been brought in state courts. These challenges have typically been based on theories of "denial of due process, denial of access to the courts, taking of property, and violations of equal protection." State courts are split in their decisions regarding the constitutionality of the statutes—some have found them constitutional while others have ruled that statutes of repose violate the Constitution. Because GARA is a federal statute, any challenge to its constitutionality will be governed by the United States Constitution. Challenging a federal statute of repose under the United States Constitution will prove much more difficult than challenging a state statute of repose under a state constitution for a number of reasons.

I. Open Courts/Due Process

Statutes of repose foreclose a plaintiff’s ability to recover for an injury before one even occurs, whereas a statute of limitation punishes a plaintiff for not pursuing his claim in a timely fashion. This fundamental difference arguably denies plaintiff’s due process in seeking a remedy. Thirty-seven state constitutions contain provisions that provide (1) that all courts shall be open and (2) that every person shall have a remedy by due process of law. These provisions are often referred to as "open courts" clauses and "remedies" clauses and are intended to guarantee citizens "access to the courts and a judicial procedure based on fairness and equality."

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390 See id. at 448-49.
391 Id. at 449.
394 See Sanger, supra note 28, at 449.
395 See id.
396 See Lankford, 416 So. 2d at 999.
397 Berry, 717 P.2d at 674-75.
have found their respective state statutes of repose unconstitutional under a rational relation test because they violated the Constitution's open courts provisions or denied the plaintiffs due process. However, there is no corollating federal open courts provision, and thus plaintiffs will not be able to challenge the GARA's statute of repose on this basis.

Generally, state courts have collapsed their consideration of state open courts provisions and due process challenges into one inquiry. Therefore, the only way a federal court could find GARA's statute of repose unconstitutional is to find access to the courts implicit in the federal due process clause.

2. Property Rights

Courts tend to hold that "an unaccrued cause of action is not a property right." A person has no property right in a common law rule. "Since an unaccrued cause of action is not a property right, enacting a statute that prevents the cause of action from arising is not a[n unconstitutional] taking, for which compensation is due.”

3. Equal Protection

Challengers to state statutes of repose often base their attack on violation of equal protection grounds under state constitutions. The plaintiffs typically challenge the statutes of repose by alleging that the statute creates two classes of individuals, those who are injured within the repose period and those who are not. These statutes tend to be held unconstitutional when the state courts analyze the statutes under an intermediate standard of review, which requires the statute of repose to be substantially related to a legitimate governmental interest. Because the

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398 See Lankford, 416 So. 2d at 1004; Hazine, 861 P.2d at 629; Heath, 464 A.2d at 299; Brennaman, 639 N.E.2d at 430; Berry, 717 P.2d at 676.
399 See Sanger, supra note 28, at 449.
400 See id. at 455.
401 Id. at 453.
402 See Berry, 717 P.2d at 675-76 (citing Usery v. Turner Elkhorn Mining Co., 428 U.S. 1, 16 (1976); Second Employers' Liab. Cases, 223 U.S. 1, 50 (1912)).
403 Sanger, supra note 28, at 453.
404 See id. at 454; Hanson, 389 N.W.2d at 326-27.
405 See Hanson v. Williams County, 389 N.W.2d 319, 325 (N.D. 1986) (applying an intermediate standard of review because it involved the important issues of human life and safety. The court rejected the notion that a statute of repose was merely an economic matter.); see also Lankford, 416 So. 2d at 999-1001; Heath, 464 A.2d at 294-95; Berry, 717 P.2d at 680-83.
right to sue or recover is not a fundamental right and because accident victims are not considered a suspect class under the United States Constitution, the federal judiciary would be required to apply a rational relation test to any GARA challenge based on equal protection grounds. This standard is much easier to satisfy than the states' intermediate test, and thus, any federal equal protection challenge to GARA will likely be rejected.

When the federal government enacted GARA, it imposed onto accident victims a legal rule in an area of the law that traditionally has been governed by the individual states. State constitutions and state courts have been tailored over time to meet the needs of their citizens in the tort arena. Whereas plaintiffs often have been able to successfully challenge state statutes of repose under their state constitutions and in their state courts, this federal interference into tort law effectively bars plaintiffs from challenging the statute of repose on constitutional grounds.  

B. CIRCUMVENTING THE STATUTE OF REPOSE

Creative lawyering can occasionally result in circumvention of the statute of repose in courts that disfavor such statutes. For example, in *Driver v. Burlington Aviation, Inc.*, the North Carolina Court of Appeals held an aircraft manufacturer liable, even though the state statute's repose period had expired, by concluding that the instruction manual, not the aircraft, was the defective product at issue. In this case, Philip Driver was severely injured when a Cessna model 152 aircraft, in which he was a passenger, lost control and crashed. The operator of the aircraft had rented it from the defendant. The plaintiffs argued that the aircraft's information manual was defective because it omitted information concerning dangers associated with the air-

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406 When federal courts have evaluated the constitutionality of state statutes of repose under the United States Constitution, they have consistently upheld their constitutionality. See Schamel v. Textron-Lycoming, 1 F.3d 655 (7th Cir. 1993); Eaton v. Jarvis Prods. Corp., 965 F.2d 922 (10th Cir. 1992); Harris v. Black Clawson Co., 961 F.2d 547 (5th Cir. 1992); Dinh v. Rust Int'l Corp., 974 F.2d 500 (4th Cir. 1992); Alexander v. Beech Aircraft Corp., 952 F.2d 1215 (10th Cir. 1991); Pitts v. Unaro Indus., Inc., 712 F.2d 276 (7th Cir. 1983), cert. denied, Pitts v. GAF Corp., 464 U.S. 1003 (1983).


409 See id. at 483.

410 See id. at 479.

411 See id.
craft. The court held the manufacturer of the manual (Cessna) liable under a products liability theory because the "product to which the action applies is not the aircraft as Cessna suggests, but the instructional manual." There were no allegations that the aircraft was in any way defective. In fact, the plaintiffs conceded that the aircraft did not function defectively or improperly under the circumstances. They argued only that the manual did not mention the aircraft's propensity for icing in such meteorological and operational conditions.

The court held that the 'defective product' at issue in the case was the information manual, not the aircraft. Thus, the statute of repose began on the date the manual was purchased, which allowed the plaintiffs to pursue their cause of action.

"For the purposes of GARA, the Driver . . . decision is important because it suggests that courts may be willing to utilize items such as a manual to circumvent a statute of repose." "[A] plaintiff [can] pursue almost any [cause of] action by pleading that the manual was purchased within the last eighteen years and was defective because it failed to warn of a possible danger." The net result of the Driver rationale "would be to render GARA meaningless."

Although the Driver court accepted the "manual as a replacement part" argument, plaintiffs have asserted the argument in a number of federal jurisdictions, all of which have rejected it. For example, the southern district of Texas rejected the argument in Alter v. Bell Helicopter Textron, Inc., a case involving the GARA defense.

In Alter, the plaintiffs' husbands were killed in a crash involving a Bell helicopter. The surviving wives alleged that defend-
ant Bell (1) carelessly designed, manufactured, tested and sold the aircraft and its component parts and (2) carelessly and negligently issued maintenance manuals that contained a misleading statement that proximately caused the helicopter crash in which their husbands were killed. They asserted that the manuals were issued within the eighteen-year limitation period because the defendant reissued and revised them approximately twice a year since 1974. The plaintiffs argued that GARA did not preclude their defective marketing and failure to warn claims because the maintenance manual revision is a “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 to which the eighteen-year repose period separately applies.

The court rejected the plaintiffs’ argument and held that “manufacturers’ maintenance . . . manuals are not a ‘separate’ product or component upon which [the] plaintiffs may base a claim to avoid a repose statute.” The instructions are not considered a “product” as defined by the Act. The court noted that several other federal jurisdictions had rejected the type of argument that the plaintiffs were asserting.

The court distinguished the Driver case because the plaintiffs in Driver did not contend that the aircraft was in any way defective. The plaintiffs in Driver did not argue that the manual was a defective replacement part to an aircraft, but that it was a defective product in and of itself.

Critics of the Alter decision have argued that [t]he continued maintenance of an aircraft in accordance with the manufacturer’s manual is no less significant than the replacement of aircraft parts. When a part is no longer safe, it is replaced. When a maintenance procedure is no longer safe, it is revised. Yet a replacement part will trigger a new period, while under Alter, a revised manual will not, even when the overall effect on safety may be the same. Insufficient maintenance manuals may contribute to a product’s failure, just as a design or manufacturing defect would cause a product to fail.

See id. at 537.
See id.
Id. at 538 (citing GARA § 2(a)(2)).
Id.
Id. at 539.
See id. at 538-40.
See id. at 540.
See id. at 541.
See id. at 542.
Hedrick, supra note 15, at 396.
Despite the *Alter* decision, a plaintiff may still be able to circumvent GARA's statute of repose by suing the manufacturer who issued the manual if he sues within the eighteen-year period and does not allege defects in the aircraft. This is precisely the theory that allowed the plaintiff in *Driver* to recover.

Arguably, the manual can also be used to circumvent the statute by alleging that it is a warranty.

VIII. TOP ELEVEN REASONS WHY GARA IS WRONG

GARA's enactment was based on a number of fallacious theories. Because the purpose and policy behind GARA are based on erroneous information, the intended effects of it might never be realized.

A. MYTH #1: GARA WILL REMEDY THE PRODUCTS LIABILITY CRISIS.

REALITY: If the real purpose of GARA was to cure the products liability crisis, it will certainly prove not to be an effective remedy. The manufacturers insist that the industry's decline was due to large products liability judgments and litigation defense costs. If so, what will protect manufacturers from suits involving the "80,000 to 100,000 general aviation aircraft that are too young to be affected by the statute of repose?" Not GARA. What will protect manufacturers like Cessna when, and if, they begin manufacturing thousands of new aircraft? Not GARA. In fact, if GARA is supposed to revitalize the general aviation industry by enabling it to produce thousands of new aircraft, what is to prevent the same cycle from happening again? These manufacturers will be subject to suit on thousands of new aircraft which will increase litigation defense costs and insurance premiums—the very things that purportedly destroyed the industry in the first place.

With the enactment of GARA, the general aviation industry is destined to repeat history by flooding the market with thousands of new aircraft. This so-called revitalization will likely lead to yet another crash. But this time, the trial lawyers will not be to blame for the demise of an industry. Perhaps the industry and society would be better served by re-evaluating general aviation's management and business decisions than by re-victimizing victims.

434 See id.
B. **Myth #2: 100,000 Jobs Had Been Lost in the General Aviation Industry Due to Excessive Liability Exposure Prior to the Enactment of GARA.**

**Reality:** The manufacturing industry never provided any studies to Congress to substantiate this job-loss figure. On April 2, 1996, Cessna, Mooney, Beech, and Piper were asked to submit their “figures reflecting on an annualized basis, the total employment by [their] compan[ies] from 1978 through 1995.”

Cessna responded on April 15, 1996, by saying, “[w]e decline to provide the information you have requested.”

Mooney replied on April 9, 1996, stating, “Mooney Aircraft Corporation is a privately-owned company and as such is prohibited from disclosing financial and certain other information.”

Beech never responded. Piper responded on April 4, 1996, with the following figures: As of 1978 Piper employed 3219 workers. In 1991, the year Piper entered bankruptcy, the company employed only 140 workers. By 1995 after its emergence from bankruptcy, Piper was employing 616 workers, resulting in a total loss of 2603 jobs.

Cessna and Beech are both headquartered in Wichita, Kansas (Sedgwick County). Examination of Sedgwick County’s employment figures revealed that in 1978, the year general aviation production peaked at 17,811 aircraft, 183,187 workers were employed. By 1994, the year GARA was enacted, 210,146 people were employed in the county. Sedgwick County was not rendered a jobless wasteland by our tort system prior to the enactment of GARA.

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436 Id. at 1632 n.16 (quoting Letter from T. W. Wakefield, Vice President and General Counsel, The Cessna Aircraft Co., to Attorney Daniel Donnelly (Apr. 15, 1996)).

437 Id. at 1632 n.17 (quoting Letter from Kyle M. Jaster, Chief Financial Officer, Mooney Aircraft Corp., to Attorney Daniel Donnelly (Apr. 9, 1996)).

438 See id. at 1632 n.18 (citing Letter from Patrick H. Faller, Director of Human Resources, The New Piper Aircraft, Inc., to Attorney Daniel Donnelly (Apr. 4, 1996)).


440 See Donnelly, supra note 435, at 1632.
Furthermore, *The World Aviation Directory* calculates the change in employment of each of the following general aviation from 1986-1994 manufacturers as follows: Cessna -2400; Beech +1450; Piper -400; and Mooney +450. This represents a total job loss during that period of 900 jobs, hardly a figure approaching 100,000.\(^{441}\)

C. **MYTH #3: THE GENERAL AVIATION INDUSTRY WAS FACING FINANCIAL DEVASTATION AS A RESULT OF ITS EXPOSURE TO PRODUCTS LIABILITY LAWSUITS.**

**REALITY:** According to GAMA, in 1978, the net billings for general aviation aircraft were $1,781,200,000. In 1994 they were $2,357,100,000.\(^{442}\) Even Russell W. Meyer, CEO of Cessna, acknowledged this success at a hearing before the Senate Subcommittee on Aviation by saying, “[W]e are doing very well at Cessna. We are building a line of business jets. We happen to be the world’s leader in the industry. We have something like sixty percent of the market, and we are very proud of our growing line of Citations.”\(^{443}\)

D. **MYTH #4: GARA WAS NECESSARY BECAUSE THE MANUFACTURERS EXPERIENCED A DECREASE IN GENERAL AVIATION SALES DUE TO PRODUCTS LIABILITY COSTS BEING TOO HIGH, CAUSED BY A DEFECT IN THE TORT SYSTEM (RATHER THAN BY PRODUCT DEFECTS).**

**REALITY:** The manufacturers submitted evidence of their “exorbitant” liability costs and then causally linked those costs to the demise of the industry. There are a number of inaccuracies in the manufacturers’ evidence and rationale that makes GARA a “solution” to a non-existent problem. Because the manufacturers’ problems were premised on fallacial arguments, GARA ends up being only a subsidy for manufacturers; a cure for a non-existent disease. Applying GARA is like giving morphine to someone who has a common cold. Sure, it feels good, but it will not cure the cold.

The fallacy in the manufacturers’ arguments for enacting GARA concerns their calculated annual products liability costs

\(^{441}\) *See id.* at 1632 n.20.


\(^{443}\) *Donnelly, supra* note 435, at 1633.
of $70,000 to $100,000 per unit built. This figure was touted by the "Big Three" as a justification for enacting the legislation. However, their methods for calculating this figure is questionable.

Assume that a manufacturer has a fleet of 100,000 aircraft in active service in a given year. Furthermore, assume that the same manufacturer produces only 200 units during the year. Finally, assume that its liability insurance premiums total $20 million per year. If the manufacturer divides its insurance cost ($20 million) by the number of units produced and sold in a given year (200), the resulting insurance cost is $100,000 per unit of production. This is precisely how Cessna, Piper, and Beech arrived at such cost figures. It is important to recognize that each one of the 100,000 outstanding aircraft represents a potential liability suit. Any accounting system or costing scheme that allocates these costs to current production dramatically (and artificially) increases the cost, and perhaps the selling price, of airplanes.

These fallacial cost figures can be very persuasive as evidence demonstrating that the liability system is out of control.

GAMA lobbied Congress with the following statistics: "[I]n 1976, total product liability costs, including claim and defense costs for light aircraft airframe and component manufacturers, were $24 million. In 1986, the total costs of product liability for light aircraft reached $210 million." Interestingly, however, GAMA presented no data between the years of 1986 and 1994. GAMA reported on April 19, 1996, that it had no such data. Furthermore, it was unable to provide a breakdown and justification of the 1976-1986 data.

Also compelling are data reflecting general aircraft retail increases between 1977 and 1985. GAMA and other proponents of GARA purported that products liability increases led to increased retail costs, resulting in such aircraft being "out of reach" for the average American. In 1977 and 1978 annual retail prices increased as follows:

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444 See Tarry & Truitt, supra note 23, at 180.
445 See id.
446 Id.
447 See id.
449 See Donnelly, supra note 435, at 1638 (citing Conversation between Ed Bolan of GAMA and Attorney Daniel Donnelly (Apr. 19, 1996)).
450 See id. (citing Conversation between Ed Bolan of GAMA and Attorney Daniel Donnelly (Apr. 19, 1996)).
451 See AIRCRAFT BLUEBOOK PRICE DIGEST (Spring 1995).
From 1979 through 1985, when products liability costs purportedly "soared," prices increased annually as follows:

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>Cessna 210</td>
<td>12.65%</td>
<td>9.13%</td>
</tr>
<tr>
<td>Beech 33A</td>
<td>14.31%</td>
<td>.79%</td>
</tr>
<tr>
<td>Piper PA 28-181</td>
<td>12.91%</td>
<td>4.72%</td>
</tr>
<tr>
<td>Mooney 201</td>
<td>13.27%</td>
<td>13.40%</td>
</tr>
</tbody>
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"This data at the very least suggests that the increases in the retail prices of new aircraft during the period 1979-1985 were not driven by products liability costs but by other, unrelated factors."\textsuperscript{454}

The fact that products liability costs were not responsible for the dramatic increase in the retail price of new aircraft was inadvertently admitted by Charles M. Suma, President and CEO of The New Piper Aircraft when he responded to the following inquiry:

\textsuperscript{452} See Donnelly, \textit{supra} note 435, at 1634.

\textsuperscript{453} See id. at 1633, Table 2 (citing GAMA, \textit{Briefing Materials on General Aviation Revitalization Act} 1).

\textsuperscript{454} Id. at 1634.
“What do you tell your owners, or any pilot who says, ‘I thought this whole product liability thing was going to result in lower prices?’”

“I was very clear with everybody to whom we talked that its not going to mean lower prices.”

E. MYTH #5: THE DECLINE IN GENERAL AVIATION AIRCRAFT SALES WAS DUE TO SOARING PRODUCTS LIABILITY COSTS.

REALITY: The decline in general aircraft aviation sales from 1978 through 1994 was due to factors unrelated to products liability costs.

1. Oversupply

The industry reached “fantastic levels of production in the late 1970s” when manufacturers were optimistic that we had reached an age where “owning and operating a general aviation aircraft would come within the reach of the average American.” This optimism and accompanying surge of production likely played a role in the downward spiral of the industry in the 1980s. “There is good evidence to suggest that for a number of reasons, manufacturers and others involved in the sale of aircraft misjudged the market and set the industry up for a bust.”

In 1986 (the year Cessna ceased producing piston aircraft), the ratio of active certificated pilots to active aircraft reached a twenty-six year low, falling from 5.64 pilots per aircraft in 1968 to 3.22 pilots per aircraft in 1986. This represents a decrease of forty-two percent. In 1993, the ratio was still only 3.77 pilots per aircraft. In fact, Piper’s CEO, Charles M. Suma commented on this oversupply in 1995 by declaring, “from the early 1970s through the mid-1980s [. . .] the industry was producing more new aircraft than the market could absorb.”

2. Failure to Implement Product Improvement and Innovation

According to Chuck Husick, former Vice-President of Cessna, the industry failed to give its single engine customers product

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456 Tarry & Truitt, supra note 23, at 185.
457 See id. at 188-90.
458 Id. at 188.
459 See Donnelly, supra note 435, at 1635.
The industry saw the decline coming and rather than pushing for new technology, it gave buyers improved doors and windshields. As a result, “[p]ilots, businesses, flying clubs, fixed base operations—none of them buy new airplanes because they can get essentially the same thing for less money in an used airplane.”

3. **High Operating Costs**

Cessna’s chief economist, E.F. Kraus, attributed the decline of general aviation sales, in part, to high operating costs—e.g. fuel, maintenance, etc.

4. **Increased Complexity of the Aviation Environment**

The proliferation of various forms of restricted use airspace and the increased regulation of airspace have also been recognized as factors in the decline in aircraft sales.

5. **Abolition of Favorable Tax Treatment for Aircraft Acquisition**

The elimination of the investment tax credit has significantly affected the sale of new aircraft.

6. **Competition for Expendable Income**

Competition for consumer dollars has also affected general aviation sales. Factory-produced aircraft must now compete with home built aircraft, which have become tremendously popular in recent years. While the purchase and production of light piston aircraft was decreasing, “sales of light piston aircraft kits were at an all-time high.” In the 1990s “[r]egistration and certification of . . . experimental home-built aircraft skyrocketed.” Good used aircraft also increased the competition.

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462 See id.


465 See id.


468 Id.
7. *Other Factors*

A myriad of other factors contributed to the decline in new general aviation aircraft sales. For instance, the combination of inflation and the changes in GI Bill flight training benefits contributed to the “surge in production that created an unsustainable production volume.” Furthermore, “some unbelievable [sic] bad business decisions by the manufacturers 15 to 20 years ago” coupled with the manufacture of “some lousy products” contributed to the industry’s decline.

The demand for newly manufactured general aviation aircraft was not met due to several other unforeseeable factors. “Fuel prices skyrocketed in 1979, the prime lending rate reached a high of nineteen percent in 1981, and the nation’s economy experienced negative growth” from 1980 through 1982. Airline deregulation, the air traffic controllers strike of 1981, the high rate of mergers and acquisitions in the 1980s, and descending corporate profits between 1978 and 1986 also contributed to the decline in general aviation sales.

These are the factors that placed the purchase of a general aviation aircraft “beyond the reach of even wealthier consumers.” Even without the so-called “products liability crisis,” the general aviation industry, in all likelihood, would have suffered a dramatic decline. “Its own commercial strategy of flooding the market in the late 1970s combined with the disastrous general economic conditions of the early 1980s” would have wrought havoc on the industry.

**F. Myth #6: Aircraft “prove” themselves within eighteen years and thus are entitled to immunity after such time.**

**Reality:** “Although this presumption [that an aircraft that has not been involved in an accident within eighteen years has proven itself to be safe] may be true for manufacturing defects, it is by no means accurate where design defects are con-

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469 In 1987 ten-year-old singles sold for only 23% of new aircraft prices. See Donnelly, *supra* note 435, at 1636.
470 Tarry & Truitt, *supra* note 23, at 188.
471 *Id.* at 190 (citing Letter from John Baker, President of the Aircraft Owners & Pilots Association, to Attorney John Howie (Sept. 29, 1988)).
472 *Id.* at 190.
473 *See* Donnelly, *supra* note 435, at 1637.
475 *Id.* at 192.
476 *Id.*
cerned.” When a product fails during normal use in the early part of its life span, the reason for the failure can almost always be attributed to a manufacturing defect. Responsible manufacturers do not design their products to fail so close to the starting line."

With [thirty-one] years representing the average age of general aviation aircraft in this country, and forty or fifty years often representing the useful life of such aircraft, the eighteen-year statute of repose contained in the 1994 Act may be said to cover only "the early part" of an aircraft's life span. If this is true, the misguided presumption upon which the 1994 Act is based will leave many legitimate design defect claimants without legal recourse.

To assess whether an aircraft proves itself as being defect-free, one must examine the model aircraft, not an isolated aircraft, as was done by GARA proponents. "For example, to have looked at a specific 'V'-tail Bonanza prior to 1980, and to have pronounced that specific aircraft free from defect would have been absurd because, as of 1980, 250 of this model aircraft had come apart in the air due to a design defect."

The manufacturers also fail to understand that aircraft accidents seldom have but one cause, but normally occur because, at a point in time, several contributing causes coincide.

Aircraft defects standing alone seldom result in crashes. In the presence of other contributing causes, however, they are lethal. The fact that a certain latent design defect does not result in a crash because other contributing causes are not yet present is no evidence that the model is defect free.

**G. Myth #7: Because the NTSB did not find a design defect as a probable cause of an accident, the aircraft is defect-free.**

**Reality:** In 1987, at the request of the House Aviation Subcommittee of the Public Works and Transportation Committee, Beech Aircraft analyzed 203 general aviation accident lawsuits filed during the 1980s. Beech found that the NTSB and FAA

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477 Shea, supra note 16, at 784.
478 Id.
479 Id.
480 Donnelly, supra note 435, at 1637.
481 Id.
482 See Martin, supra note 102, at 485-86.
investigations indicated that none of the 203 accidents were caused by design or manufacturing defects.\textsuperscript{483}

Beech’s findings are more a testimonial to the ineptitude of the manner in which the NTSB and the FAA conduct many investigations and to the success of the general aviation industry in steering investigations away from the manufacturers by having their investigators participate, than to general aviation’s aircrafts’ being free of design and manufacturing defects.\textsuperscript{484}

Evidence can be found in every plaintiff’s aviation trial lawyer’s files. In many cases, the NTSB found probable cause of the crash to have been pilot error. However, through pre-trial discovery and investigation, the cause is often determined to have been a design defect in the aircraft or in its manuals.\textsuperscript{485}

H. Myth #8: GARA was necessary because defendants have such a difficult time defending older aircraft due to lost or destroyed information.

Reality: It is the plaintiff who has the burden of proof in personal injury aviation litigation. Therefore, if information has been lost or destroyed, it is the plaintiff who suffers most—by losing his right to recourse.

Oftentimes in aviation cases, documents such as design drawings, engineering change requests, orders, test reports, and service history (including customer complaints and accident and incident history) are “destroyed by manufacturers under the euphemism of ‘record retention’ programs.”\textsuperscript{486} The solution to stripping an accident victim of his right to recourse because the defendant has succeeded in disposing of the essential evidence to prove a case against it might be the enactment of better record retention laws. At the very least, those who destroy the evidence should not have the advantage of arguing that the absence of such evidence warrants immunity for defective products.\textsuperscript{487}

\textsuperscript{483} See id. at 486.
\textsuperscript{484} Donnelly, supra note 435, at 1638.
\textsuperscript{485} See id.
\textsuperscript{486} Id. at 1639.
\textsuperscript{487} See id.
I. Myth #9: Passage of GARA will result in an increase in production and jobs.

Reality: Proponents of GARA argued that its passage would lead to a 100,000 job increase within the general aviation industry. Post-enactment of GARA, those who had touted the 100,000 job-loss figure, became substantially more conservative by asserting "[t]he newly-enacted general aviation product liability law may create up to 25,000 new jobs."488

Russell W. Meyer of Cessna promised that with the passage of GARA, Cessna would begin producing 2000 aircraft annually.489 However, even those within the same camp express skepticism at this assertion. For example, when asked whether Cessna’s plans to make 2000 airplanes a year by 1997 or 1998 was likely, the chief executive of Lycoming replied, “No, I don’t see it as sustainable. At the outside, probably half of the two thousand.”490

Furthermore, no one within the industry is crazy enough to assert that GARA would bolster the industry back to the 1978-79 annual production rate of 17,000 aircraft, even though those production figures were used by the industry as the standard from which the industry had fallen due to the ravages of the tort system.491

J. Myth #10: Products have been designed and developed to increase air safety, but the makers’ fear of exposure to liability has prevented them from introducing and marketing the products. In other words, strict products liability stifles safety.

Reality: Strict liability does not stifle safety. Statutes of repose stifle safety. What incentive does a manufacturer have to follow the aircraft after the eighteen year repose period has expired? Why spend money maintaining and inspecting such aircraft? “Nothing in this legislation encourages the production of better, safer aircraft” and nothing in GARA helps to ensure that

the general goals of the tort system as a whole are furthered.492 There is no mention in GARA of (a) fostering innovation or safety; (b) compensating the injured victims of defective aircraft over eighteen years old; or (c) deterring injurers.493 In fact, GARA defeats the goals of the tort system.

GARA's statute of repose eliminates any incentive for manufacturers to engineer their products to be safe after the eighteen year period expires.494 Now, manufacturers may choose to design their aircraft to last a mere eighteen years.495 Pilots who fly an aircraft older than eighteen years are without any legal re- dress.496 “AOPA and the pilots it represents . . . have traded their long-term safety and access to legal redress for industry negligence. The AOPA and its members may have pursued a false illusion of thousands of cheap, light pistons rolling off the production lines.”497 GARA is an “‘industrial policy’ which [sic] serves as a ‘bail-out’ or ‘subsidies to selected industries.’”498

K. MYTH #11: ENACTMENT OF GARA WILL ENABLE CESSNA TO FULFILL ITS PROMISE TO RESTART PRODUCTION OF SINGLE-ENGINE AIRCRAFT.

REALITY: It is likely that Cessna's decision to reenter the single-engine market was sweetened considerably by incentives offered by state, county and local government “giveaways” valued at approximately $35 million.499 The incentives include free land, $8.3 million in property tax abatements, $20 million in cash, $2 million in worker training programs and a $500,000 training center.500 Thus, Cessna's ability to restart production will likely “be shaped by more than tort reform.”501

IX. CONCLUSION

The passage of GARA has not yet resulted in a decrease in liability insurance costs for general aviation manufacturers, as

492 Shuchman, supra note 117, at 530.
493 See id.
494 See McAllister, supra note 3, at 320.
495 See id.
496 See id.
497 Id.
498 Shuchman, supra note 117, at 530.
500 See id.
501 Tarry & Truitt, supra note 23, at 199.
Insurance companies will not reduce the cost of premiums until they know two things. First, they want to see if the number of lawsuits is reduced substantially and second, they want to wait for more aircraft to move into GARA’s eighteen year cutoff period. Apparently, insurance underwriters will continue to extract high premiums until more judicial opinions are handed down.

Only time will tell how GARA’s effects will be felt by general aviation manufacturers, other industry actors, and consumers. In the meantime, other reform efforts are underway in Congress, such as efforts to overhaul the nation’s liability laws. In fact, the general aviation manufacturers were invited to Washington earlier this year to discuss how well GARA was working for the industry.

*Lawyers are the target for general aviation’s scam, but even the biggest scumbag ambulance-chaser can’t sue a manufacturer without a plaintiff.*


*Aviation lawsuits do not arise when air crashes do not occur.*


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503 See id.
504 See id.
505 Reference on file with author.
506 Donnelly, supra note 435, at 1641.