The United States began licensing pilots as a result of the Air Commerce Act of 1926. The act instructed the Secretary of Commerce to foster air commerce; designate and establish airways; establish, operate, and maintain aids to air navigation (but not airports); arrange for research and development to improve such aids; license pilots; issue airworthiness certificates for aircraft and major aircraft components; and investigate accidents. Secretary of Commerce Herbert Hoover established the Aeronautics Branch to carry out the Department’s aviation regulatory responsibilities.

In August 1926, MacCracken took office as the first Assistant Secretary of Commerce for Aeronautics, thus, becoming the first head of the Aeronautics Branch. MacCracken, who had assisted in drafting the Air Commerce Act, brought to the position experience as a World War I Army pilot, as chairman of the American Bar Association's committee on aviation law, and as general counsel of National Air Transport, a contract mail carrier he helped organize in 1925. With his appointment, the organization of the Aeronautics Branch proceeded rapidly. Secretary Hoover believed that the duties imposed by the Air Commerce Act should be carried out by existing Department of Commerce components. Although five principal units made up the Aeronautics Branch, which ranked as a bureau, only two were structurally part of the new Branch – the Air Regulations Division and the Air Information Division. The other three units followed directions from the Branch concerning work to be undertaken, but received detailed guidance and administrative support from other bureau-level components of the Department. Thus, the Airways Division was organized within the Bureau of Lighthouses, the Aeronautical Research Division within the Bureau of Standards, and the Air Mapping Section within the Coast and Geodetic Survey.
MacCracken issued the first Air Commerce Regulations on December 31, 1926. The regulations prescribed operational and air traffic safety rules. They also required all aircraft engaged in interstate or foreign commerce to be licensed and marked with an assigned identification number. Pilots of licensed aircraft were required to hold private or commercial licenses. Commercial pilots were classed as either transport or industrial. Mechanics repairing aircraft engaged in air commerce were required to secure either engine or airplane mechanic licenses, or both. Owners, pilots, and mechanics had until March 1 (later extended to May 1), 1927, to apply for their licenses. Failure to apply was punishable by a $500 fine.

Phoebe Fairgrave Omlie received Transport License No. 199 from the Aeronautics Branch on June 30, 1927, making her the first woman to obtain a pilot’s license from a civilian agency of the U.S. government. Omlie subsequently received aircraft and mechanic licenses and later became the first women to hold an aviation post in the federal government. She first worked as Special Advisor for Air Intelligence to the National Advisory Committee for Aeronautics (the predecessor to NASA), and later as Senior Flying Specialist for the Civil Aeronautics Authority. (Note: Harriet Quimby became the first licensed female aviator in the United States. She received her license from the Fédération Aéronautique Internationale, or FAI, an international organization based in Paris, on July 31, 1911.)
Six months after Omlie received her pilot’s license, the Aeronautics Branch published a list of newly federally-licensed pilots. That list included James Herman Banning, who received a limited commercial license. Banning is the first known African American to receive a Federal pilot license. The first Federal transport pilot license issued to an African American is believed to have been received by C. Alfred “Chief” Anderson in 1932. (Note: Black aviators had been active in the United States as early as the years preceding World War I, an era when nearly all pilots were unlicensed. The first African American to receive a pilot certificate of any type was probably Eugene Bullard, who was licensed by the French air corps in 1917 and served as a combat pilot. Emory Malick may have been the first African American male to receive an FAI license in 1912. In 1921, Bessie Coleman became the first African American to receive a license from the FAI.)