

Oregon House of Representatives
Transportation and Economic Development Committee
February 29, 2013

Dear Members of the Committee,

I, Mary Rosenblum, reside at 24198 S. Skylane Drive, Canby, Oregon. I am President-elect of the Oregon Pilots Association as I appear before you. We urge the committee to adopt House Bill 2766, as amended by the dash 1 amendments, which include a 2 cent per gallon tax increase on jet fuel.

This appears to be a tax measure, but that is misleading. This is a user fee. No person who does not benefit from aviation will pay one cent because of this measure. It is not about paying the Department of Aviation more money, it is about creating new jobs in Oregon, and sustaining the jobs and economic benefits currently provided to small towns and municipalities by the General Aviation (GA) infrastructure.

The cost to the commercial airline industry is negligible. Please refer to our Jet Fuel Tax Map document. Currently, Oregon has the lowest cost per gallon in fuel tax in the western US and even with the 2 cent increase, we will still have the lowest fuel tax burden in the Northwest. The cost to the commercial passenger is negligible at 80 cents per ticket, and the January *Daily Journal of Commerce's* report that the Portland International Airport has seen a decrease in the number of flights and an increase in passenger numbers suggests that the calculated number may be high. Fuel retailers are not likely to see a sudden loss of business since the tax burden in surrounding states is much greater.

One year ago, the FAA mandated an increase in the matching funds provided by the municipal owners of GA airports to implement required maintenance from 5% to 10%. This doubling of the cost to maintain the safety of our GA airports has put a tremendous strain on the General Fund of these municipalities, competing with other municipal projects and resulting in deferred maintenance and a cessation of airport projects that would attract new businesses to the area. Today's mobile companies such as Google, Facebook, and the growing UAV industry are not likely to locate near airports where they cannot safely land their business aircraft or that do not have the necessary infrastructure for business use. More than sixty percent of the six million dollars plus raised by this bill will go directly to municipalities as grant assistance for part or all of the 5% increase in their required FAA grant match, as well as in Financial Aid for Municipalities grants to stimulate improvements that will attract these new businesses.

The commercial airlines benefit from our General Aviation airports. Eighteen of our 96 public use airports in Oregon accommodate commercial services. The GA airports provide reliever runways and vital flight training for the pilots who will step in to fill the vacancies when our current airline pilots reach mandatory retirement age. Boeing predicts the need for 460,000 new pilots worldwide by 2031. An acute pilot shortage is expected to make itself felt to the flying public in the next few years. Military pilots are no longer transitioning into commercial aviation. New pilots now come from local flight schools, as reported in USA Today. Flight training does not take place at the major commercial airports, it takes place in the GA airports. Simulator training does not and will never replace time spent in the cockpit. This is a safety issue for all passengers on commercial airlines and the dramatic landing of Flight 1549 on the Hudson River is a clear illustration of the critical value of 'stick and rudder' time. You do not want to be a passenger on that 737 in trouble if your pilot learned to fly in a simulator.

The GA airports provide significant economic value to the state. In 2012, the total input from GA airport tenants to the state economy was more than 2 billion dollars as reported to the ODA in response to their Airports Managers Survey. The direct economic input from visitor spending at the local municipalities added an additional 171 million dollars. This will decrease as airport infrastructure degrades and some small airports are forced to close.

In addition, our General Aviation airports provide runways for delivery services such as FedEx and UPS, emergency medical services, agricultural operations, search and rescue, firefighting operations, and emergency relief in the event of natural disasters. FEMA got supplies to New Orleans through the GA airport system after Hurricane Katrina. It is time for *all* beneficiaries of this vital infrastructure to contribute to its safety and upkeep so that it is able to keep pace with our need for economic growth and new jobs in this state.

This is not a tax. It is merely a user fee and it benefits jobs and the economy rather than pilots alone. The piston pilots, who carry the major burden of tax at 9 cents on the gallon, understand the need to fund our airports and accept their share of this tax increase. All us who benefit from our General Aviation airports need to ante up. All of us. We, the Oregon Pilots Association, urge the Committee to adopt HB 2766 with the dash 1 amendments and support continued economic growth in this state.

Respectfully,



Mary Rosenblum
President-elect Oregon Pilots Association