

Public Hearing HB- 2766
House Transportation and Economic Development Committee
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My name is Chris Corich and I am the Vice-Chair of the State Aviation Board. My address is 6595 SW Alden Street, Portland Oregon 97223. I am here to urge you to pass the amended version of HB2766 which includes a 2 cent per gallon increase in both aviation gasoline and jet fuel taxes to fund Oregon's airport system.

With this bill, you know what you are getting.

40% of the revenue will be used to match grant money from the Federal Aviation Administration. In the last 4 years, the FAA has sent over \$259 million dollars into Oregon for airport maintenance and development. Local cities, counties, and port authorities provide a match and for small airports, that was 5% of the project cost. The FAA has raised that match for small airports to 10%. Funds generated from HB2766 will allow the State or provide the additional 5% to small airports.

22% of the revenue will be used by the Department of Aviation as grants to small airports. These grants, up to \$25,000 will be used for planning or construction projects that might not be eligible or a high enough priority for FAA funding.

3% of the funds will be used to fund Department of Aviation obligations to State of Oregon sponsored search and rescue for missing or overdue pilots. Due to recent funding shortfalls, the department has not been able to meet those requirements.

Finally, the State Department of Aviation owns or manages 28 airports around the State. Many of these are small airports that are not eligible to receive FAA funding and many are in need of maintenance or improvement. The remaining 35% of the funds will be used by the Department to maintain and operate these smaller, but important airports. Without this funding, the condition of some of the airports will deteriorate to the point where they must be closed. A list of the 28 State owned or managed airports is attached to my testimony.

To summarize, two programs representing 65% of the funds from the aviation fuels tax will go to municipalities to maintain and expand their airports. It will match generous FAA grants. It will mean jobs in the local community to build the airport projects, and

jobs in the communities served by the airport. High tech companies like Google and Facebook are expanding in Oregon. Both are located in cities with airports.

3% of the funds will ensure that our commitment to search and rescue will be met.

And the remaining 35% will help the State owned and managed system of smaller airports will be on more sound financial footing.

Why the funding crisis? In the last 13 years, the airlines who buy the jet fuel that funds the largest portion of the Aviation Department budget (and most other State Aviation Departments) are buying less fuel. Commercial airliners are bigger and much more fuel efficient. As a result, operations are down by over 1/3 even with passenger levels being up. This is good news for us – the people who buy an airline ticket or ship a package, and good for the environment since less fuel is being burned, but it has resulted in steadily declining funding available for the Oregon Department of Aviation to support the aviation system.

What is the benefit to the passengers at PDX who will end up paying an average additional 42 cents per ticket? There will be jobs that come with a strong Oregon economy that aviation supports. There will be a 60 to 70% chance that the new pilot flying the airliner learned to fly not in the military but at a civilian airport like one of the 97 public use airports in Oregon. There is a good chance that next summer, like last, firefighting tankers will use airports in Oregon to put out forest fires. And should a health issue arise, chances will be good that they will be near an airport that one of life flight providers in Oregon could use to get them to health care that they need.

This state has a great system of airports. Passage of this bill will help us maintain that system for the good of the State into the future.

State Owned or Managed Airports

Airports which are NOT eligible for FAA funds are **bold and underlined**.

Aurora State

Alkali – owned by the BLM

Bandon

Cape Blanco

Cascade Locks

Chiloquin

Condon

Cottage Grove

Crescent Lake – owned by the USFS

Independence

Joseph

Lebanon

McDermitt

McKenzie Bridge – owned by the US Forest Service

Mulino

Nehalem – on State Park Service Land

Oakridge

Owhyee – owned by the US Bureau of Land Reclamation

Pacific City

Pinehurst – owned by the US Forest Service

Prospect

Rome – owned by US Bureau of Land Management

Santiam Junction – owned by the US Forest Service

Siletz Bay

Toketee

Toledo

Wakonda Beach

Wasco