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ATTN: Transportation and Economic Development Committee Members

Today Nutsch Aviation was made aware of a proposal to increase the Oregon State aviation fuel tax. We are a small business in Oregon with more than 80 years of diverse aviation experience both in government service and the private sector. As a Fixed Base Operator (FBO) at Independence State Airport, we offer 100 LL AVGAS for sale to the aviation public. We wish to offer comments to be considered at the March 4th 2013 House Bill 2766 committee meeting.

These comments are in opposition to those of Mary Rosenblum and perhaps other proponents. Nutsch Aviation is an active member in the Oregon Pilots Association (OPA). Ms Rosenblum states in her emails that "OPA is behind House Bill 2766." This Bill in text form, so far, has not been widely disseminated for comment to the general aviation public. Active aviation persons with which I have discussed this had no knowledge of it. We only know what Mary Rosenblum has written in her emails. We have not been asked to vote or provide legitimate input into the position of OPA, thus we disagree with Rosenblum's email comment that OPA is wholly behind the 2013 House Bill 2766. We don't know the impact on the proposition and want more time to comment. The Bill was not widely disseminated.

Without adequate time to study all of the details of the Bill, our comments follow:

- Oregon State Aviation Fuel Tax currently is 9¢ per gallon.
- In addition, the "flowage fee" for 100LL fuel at State airports was recently doubled from 4¢ to 8¢ by former ODA Director Dan Clem with the stroke of the pen. No private sector input. Now the State of Oregon gets 17¢ per gallon. The 8¢ per gallon flowage fee **does not appear** in the 2013 House Bill 2766 and **should be considered** when making a decision on an aviation fuel tax increase. We wonder why it was omitted.
- An additional 2¢ per gallon would make the State of Oregon Tax 19¢ per gallon.
- The current Federal Excise Tax is \$.194/gallon
- The Federal Oil Spill Tax of .0019¢ /gallon
- A "load fee" of \$4.00 per fuel load is also imposed on FBO's by the State of Oregon.
- Flowage fee increases only apply to State airports which creates an uneven playing field for small businesses. Non-State airports do not have the same increases.
- Increasing a fuel tax without adequate public notice and solicitation for input is taxation without representation.

- Does the Oregon Department of Aviation (ODA) have a list of things that cannot to be accomplished - for which there is no funding? If so, what/where is it?
- Does ODA have a proposed budget? The often used term “infrastructure” is nebulous and each item should be defined. “The amounts described in subsection (1) of this section shall be used for the purposes of: (a) Deferred maintenance of state-owned airports that are not federally funded and (b) Ongoing operations of the department.” This is vague and ambiguous. Not a basis for additional taxation.
- ODA should be abolished as a separate government entity and combined with Oregon Department of Transportation (ODOT). Employees could be absorbed by ODOT. This would eliminate duplication of equipment and effort. Example: taxiway line stripe equipment purchase. ODOT has better equipment and better application skills.
- Outlying State airports maintenance should not be the responsibility of airplane fuel purchasers. Nearby communities and out-of-state travelers benefit from these airports and should pay their fair share. This can only be accomplished by making the expense a State expense through ODOT and not General Aviation gas tanks.
- General Aviation (GA) has been declining for years and continues to decline. The cost is prohibitive for most people. Fuel cost is the primary reason. More tax would only prolong the pain. Big aviation government should stay in pace with the private sector by streamlining it’s budget and methods of operating. Ex. Furlough days during winter months when aviation activity is at a standstill.
- Absorption of ODA into ODOT would reduce duplication of government services in a favorable way.
- Property taxes increase yearly, even with declining property values.
- Lease rent (on the land) increases on a biennial basis. This money flows directly to ODA. FBO’s are at the mercy of the State when they receive their lease rent statement. Small businesses just pay it to avoid an alternative.
- Remote airports are used very little. Each should be considered for return to BLM, municipalities, cities, counties or other political jurisdictions.

Small government is better. It’s time to downsize, streamline and remain within the existing budget. A fuel tax increase will not benefit General Aviation or the State of Oregon.



Wayne Nutsch



Debra Plymate