

April 12, 2015

Regarding HB 2075

Chairman Barnhart and House Revenue Committee members:

Oregon's General Aviation is a somewhat hidden economic engine in Oregon, contributing 3.02 billion dollars to the state economy in 2014. But this sector is struggling and at a crossroads—it can be preserved and grown to benefit both urban and rural communities throughout Oregon, or decline as our state aviation infrastructure continues to degrade, unchecked.

Oregon's aviation department is funded entirely from taxes on aviation fuel and it currently has the lowest tax on jet fuel in the western US. This rate was established in 1952 and the buying power of the 1952 dollar has declined by 89%.

In spite of the Oregon Department of Aviation's effective management of our limited tax resources, Oregon's state aviation system has significant unmet needs, particularly for rural commercial air service linking rural communities with Portland, economic development grants to encourage businesses like Apple and Facebook to locate in our rural municipalities, needed infrastructure investment, and emergency and disaster preparedness.

The Department of Aviation has developed a program comprised of five elements that will make the needed investment in Oregon's statewide aviation system for a strong future of Oregon air service and airports. A modest increase of four cents in the aviation fuels tax, amounting to less than 75 cents additional cost to an airline ticket departing Portland, can meet all of Oregon's unmet aviation needs.

As a former eight-year member of the Aviation Board, aviation business owner, aircraft builder and active pilot, I urge the committee to approve HB 2075 and to send it on to the House with a 'pass' recommendation.

Respectfully,

Steve Beckham