



April 14, 2015

Representative Barnhart, Chair
House Committee on Revenue
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Re: **HB 2075**

Dear Chair Barnhart and Members of the Committee:

The Port of Portland owns and operates Portland International Airport (PDX), as well as two general aviation airports at Troutdale and Hillsboro. In 2014, PDX served 15.9 million passengers and had 216,253 flight operations. Last year, Hillsboro (HIO) was the busiest airport in Oregon with 221,932 operations, followed by Troutdale (TTD), located in East Multnomah County, with approximately 100,415 operations.

In 2014, travel through PDX grew, setting an all-time record at 15.6 million total passengers, 6 percent higher than 2013. An improving economy, as well as new and expanded air service provided by nearly all airlines serving PDX, spurred this growth. Higher passenger volumes mean that costs to the airlines are shared among more passengers, reducing the cost per enplaned passenger – an important industry metric – and improving the health of the airlines serving Portland.

While the Port supports a safe and robust aviation network throughout our state, we are concerned that an increase of the jet fuel tax will have a negative impact on this growth. We are particularly concerned about retaining our international passenger service and remaining cost competitive as we look to recruit an international cargo carrier. PDX is the smallest airport in the U.S. that has non-stop passenger service to both Asia and Europe. Every increase in cost is evaluated by the airlines and may impact future airline service decisions from PDX.

As proposed, the funding generated by HB 2075 would not directly benefit those airlines or cargo carriers who pay the vast majority of aviation fuel taxes in Oregon. The proposed distribution of funds does not assist commercial and cargo airlines, or corporate business aviation.

Our primary goal is that each of the three airports we operate will remain a great place to do business and continue to expand our offerings to passengers and businesses looking for competitive passenger and air cargo service.

April 14, 2015

Page 2 of 2

Port of Portland staff would like to be active participants in developing a more equitable solution that meets the needs of numerous state-owned and private airports around Oregon. This includes looking at ways to better leverage Federal Aviation Administration (FAA) grants and federal essential air service funding. We would encourage advocates to include commercial and cargo airlines in future discussions and study what other states have done to ensure a more sustainable and equitable structure for aviation fuel tax increases than those proposed in HB 2075. We believe such an effort could find an industry supported fee and cost-share arrangement.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Vince Granato". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Vince Granato
Chief Operating Officer
Port of Portland