

Aviation funding in Oregon

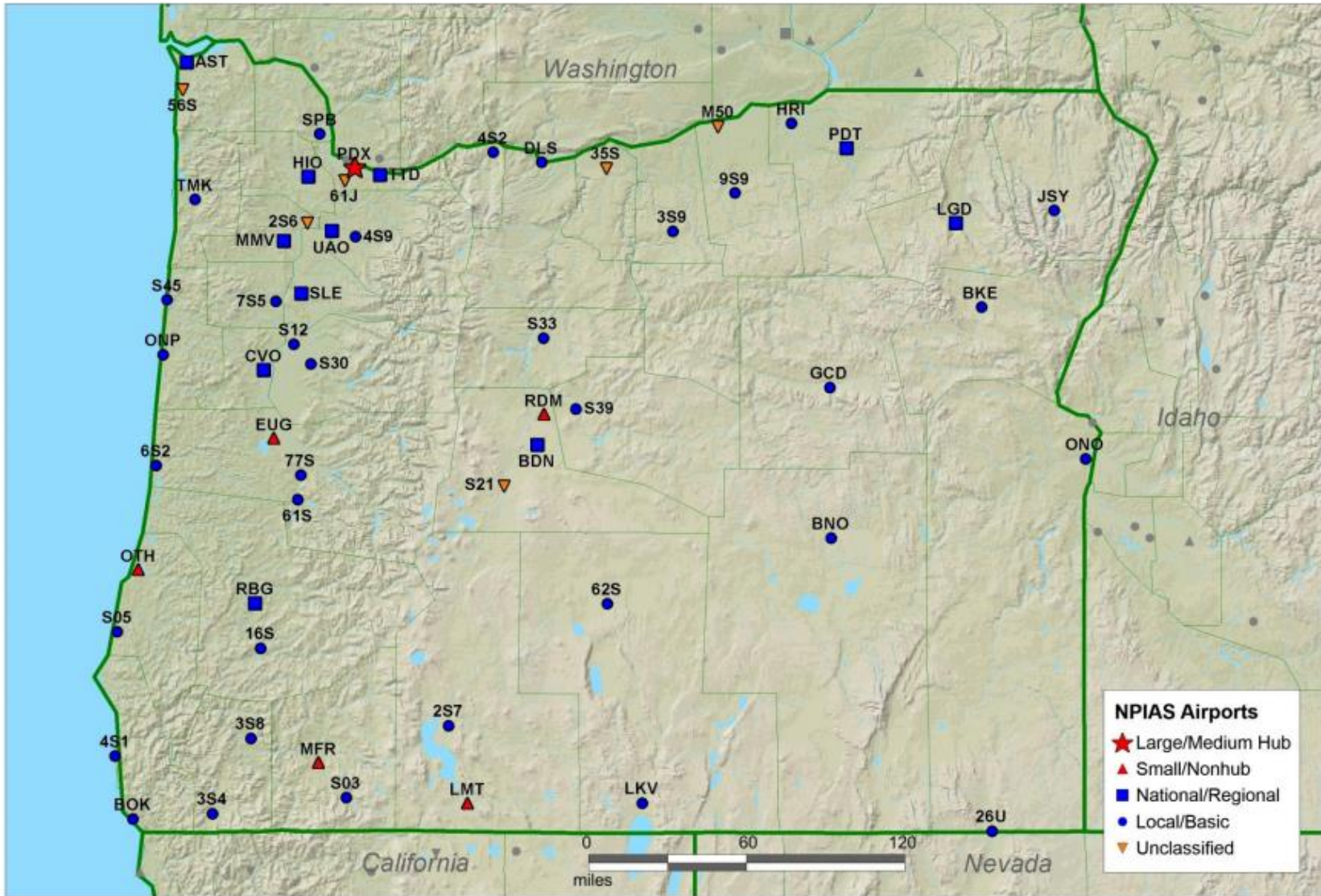
HB 2075



Aviation needs

- .FAA grant matching funds 10% - 90%
- .Commercial air service for rural communities
- .Airport safety and maintenance improvements
- .Emergency management operations & buildout
- .Aviation related economic development

Oregon



B-46

National Plan of Integrated Airport Systems (2013-2017)

60 NPIAS Oregon airports qualify for 90% FAA grant funding with a 10% local match

Oregon Aviation

- .The Department of Aviation owns 28 airports
- .Supports another 70 municipal airports
- .Assists with another 200+ private airports

The department is seriously understaffed and underfunded

Funds required

for Oregon Department of Aviation

\$10 - \$12 million per year

Funds available

\$3.7 million per year (½ fuel taxes, ½ fees)

How Is Aviation Funded in Oregon?

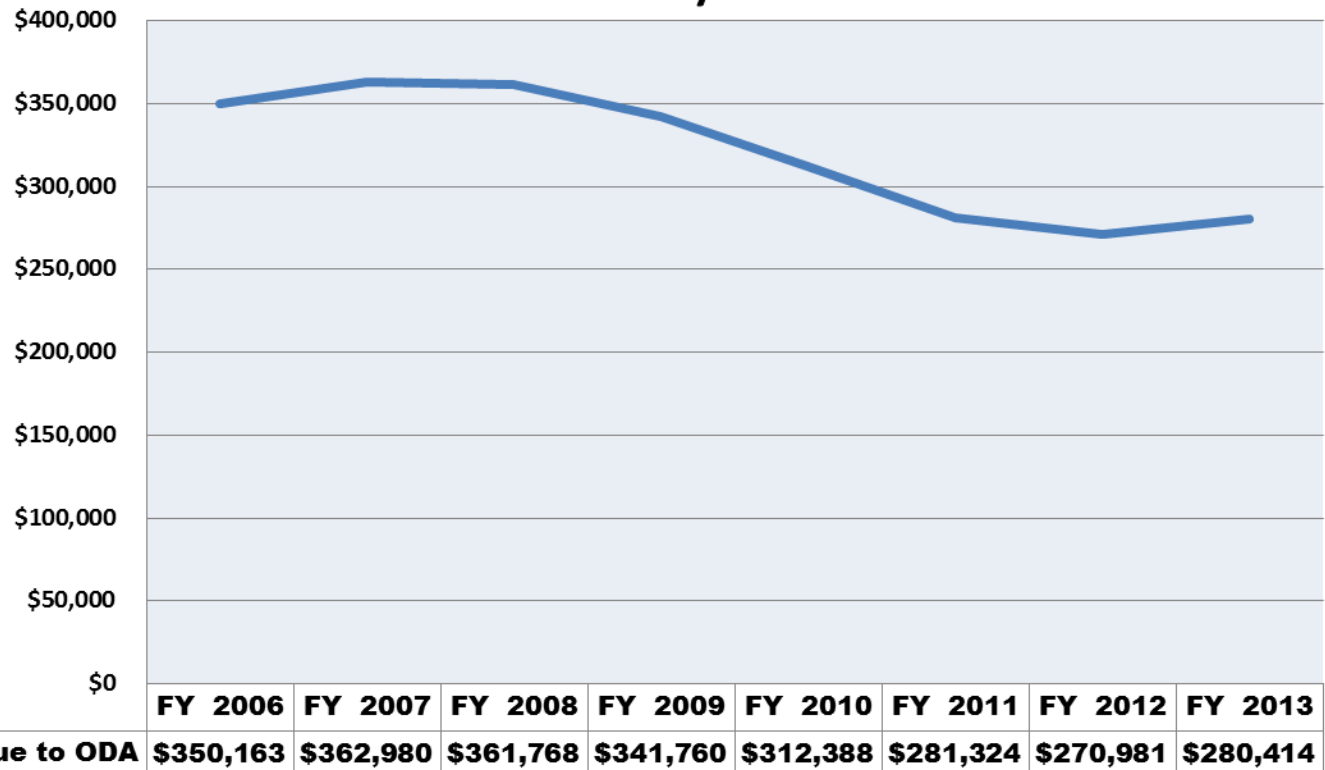
100 LL Avgas is taxed at 9 cents/gallon

Jet A is taxed at 1 cent/gallon

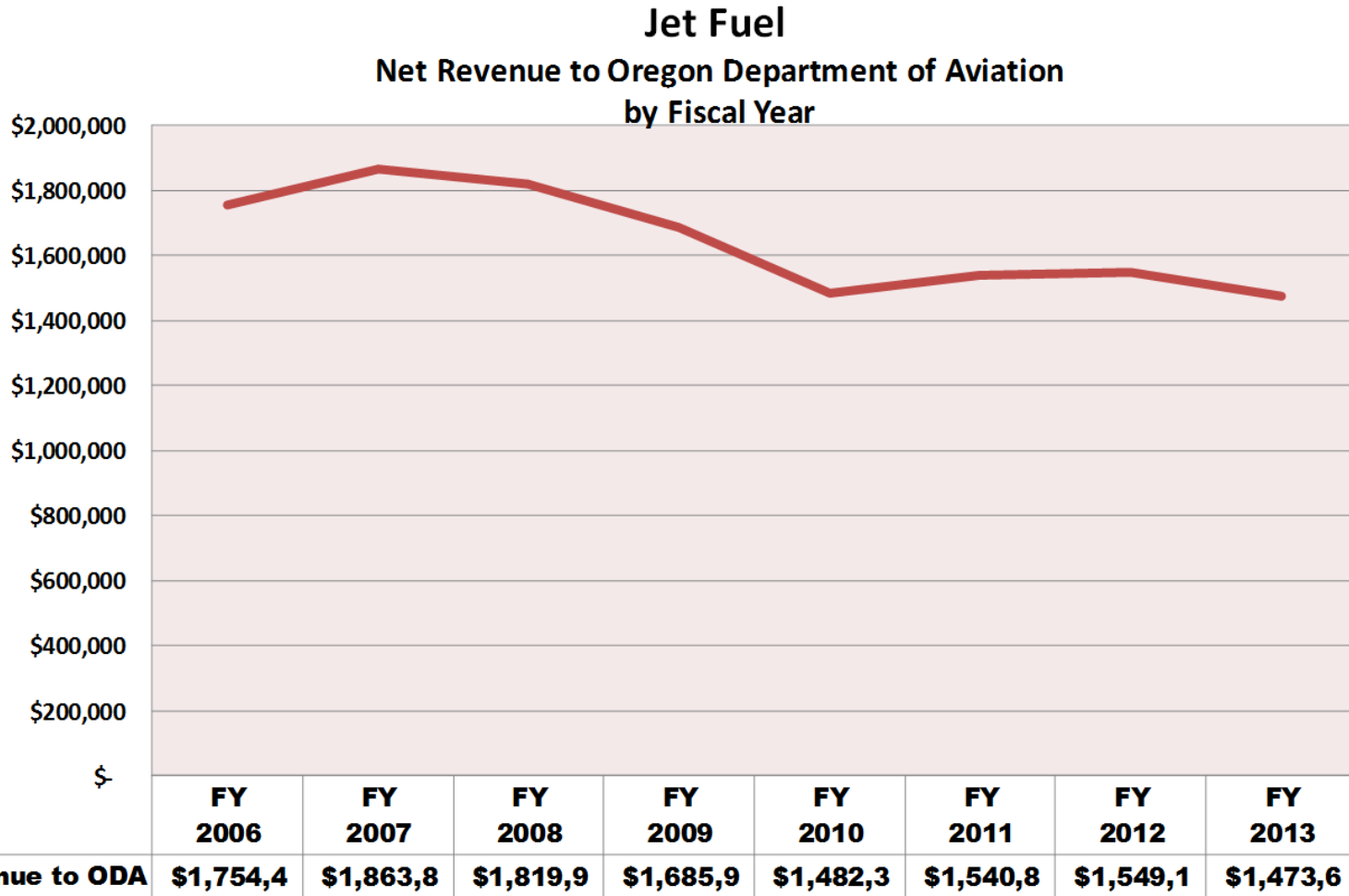
+ fees and FAA / Connect Oregon grants

Decline in AVGAS Revenue

AV Gas
Net Revenue to Oregon Department of Aviation
by Fiscal Year



Decline in Jet Fuel Revenue



Oregon House Bill 2075

Increases tax on aviation fuel by 4 cents/gal

Jet A will increase to 5 cents / gallon

Avgas will increase to 13 cents / gallon

Parity with nearby states

State	Jet Fuel tax/gal	Avg Gas tax/gal	Commercial Exemption	Sales Tax	Net Tax on Jet Fuel for commercial airlines
Oregon	\$.01	\$.09	International Flights	None	\$.01
Idaho	\$.06	\$.07	None	None	\$.06
Washington	\$.11	\$.11	All commercial flights	6.5%	\$.32
California	\$.02	\$.18	All commercial flights	7.25%	\$.36

Oregon aviation fuel prices per gallon
March 2015 (Bend, OR airport)

	Avgas	Jet A
Full Service	\$4.74	\$3.36
Self Service	\$4.24	\$2.86

What does this buy aviation?

For only 4 cents per gallon increase

20% Grant match fund

Grant matching funds for ports, municipal and county facilities

With a 10% match, Oregon airports that qualify (NPIAS) for FAA federal funding can receive 90% federal funding for airport improvements. Many communities are not able to meet this 10% match

This fund would help them meet the match, thus obtaining federal dollars for Oregon community airports.

This fund would assist in meeting matches for Connect Oregon and other federal grants such as SCASD grants

20% Air service

Creating and maintaining commercial air service linking rural communities to commercial hubs

There are 97 public use airports across Oregon that are part of our transportation system

Citizens in rural communities across the state desire air connection to scheduled air service at large airports, and air transportation to other rural communities.

20% Emergency management

Emergency management operations, and outfitting airports as emergency management resources

Fires, landslides, earthquakes and natural disasters often leave airports as the only viable means of transportation across our state

Cascadia Subduction?

20% Safety & Maintenance

Airport safety and maintenance improvements

ODA staffing and management expenses

Maintenance is a huge issue at rural airports that do not qualify for federal funding

These funds would ensure keeping airports open and safe

20% Economic Development

Aviation related economic development

Assist aviation related companies and the emerging unmanned aerial vehicle (UAS) industry which can provide major economic benefits and jobs for rural Oregon.

Ensure that economic development resources and organizations are in place to assist the 400+ aviation related business spread across Oregon.

HB 2075

Focuses on

- Commercial aviation industry viability in Oregon
- Rural airports across Oregon
- Aviation manufacturers and operators
- Economic development and jobs
- Maintain and utilize our statewide air transportation system
- Paid for by the users of the aviation system

**Oregon Aviation Industries (ORAVI)
strongly supports and encourages passage of HB 2075**