



April 12, 2019

Co-Chair Senator Beyer, Co-Chair Representative McKeown
Joint Committee on Transportation
900 Court Street NE
Salem, OR 97301

Re: **HB 2402**

Dear Co-Chairs & 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, and opposes any increases to the current jet fuel tax levels. In 2018, PDX served 19.9 million passengers, an increase of over 4% from the previous year, and had 233,993 flight operations. Hillsboro (HIO) had 198,954 operations, followed by Troutdale (TTD), located in East Multnomah County, with approximately 128,373 operations. Combined, the three airports had 561,320 operations during 2018.

Passenger traffic has had record growth over the past six years, resulting in 32% more total passengers through PDX since 2013. In order to accommodate current and future growth of passengers at PDX, airport facilities will undergo major changes in the next few years. Known as PDXNext, the Port currently has a suite of capital-intensive projects underway at PDX, which combined equate to over \$2 billion. These projects are necessary to provide facilities sized that will continue to enable passenger growth at PDX well into the future. One such project included in PDXNext includes improved facilities needed for regional air traffic and aircraft. The majority of PDXNext costs translate into significantly higher airline expenses to operate at PDX. As such, we are sensitive to further cost increases that may create barriers to entry for new air carriers, new routes by existing airlines, and additional flights to existing routes throughout Oregon, the region, the US, and abroad.

As proposed, the funding increase contemplated by HB 2402 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.

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 growth. We are particularly concerned about retaining our international passenger and cargo service, which have both seen significant increases over the past several years.

Port of Portland staff would like to be active participants in developing a more equitable solution that meets the needs of numerous public-use airports in Oregon. This includes looking at ways to better

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leverage FAA grants and federal essential air service funding. We would encourage advocates to include commercial and cargo airlines in current and 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 2402. 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 cursive script that reads "Vince Granato". The signature is written in black ink and has a fluid, connected style.

Vince Granato
Chief Operating Officer