



April 12, 2019

Senator Beyer, Co-Chair
Joint Committee on Transportation
Oregon State Capitol
900 Court Street NE, S-411
Salem, OR 97301

Representative Caddy McKeown, Co-Chair
Joint Committee on Transportation
Oregon State Capitol
900 Court Street NE, H-476
Salem, OR 97301

Dear Co-Chairs Barnhart and McKeown, and Members of the Committee:

The City of Eugene/Eugene Airport is opposed to Oregon House Bill 2402 as written. We do not object to lifting the sunset attached to the current aviation fuel tax law, however, the increase to five cents per gallon on fuel usable in aircraft operated by turbine engines, either turbo-prop or jet engine (jet fuel), will have a direct and detrimental effect on commercial air service across the state.

The vast majority of jet fuel sales volume in the state occurs at the commercial service airports, purchased by commercial airlines, but the revenue generated from this tax is allocated almost entirely towards state aviation and general aviation purposes. Unlike other small commercial service airports, including Medford and Redmond, the Eugene Airport is not allowed to participate in the Oregon Department of Aviation's (ODA) Rural Oregon Airport Relief Program (ROAR) which provides grant funding to assist in the development of additional commercial air service.

The Eugene Airport has participated in the ODA's Critical Oregon Airport Relief Program (COAR), however, the grant process was cumbersome and the outcome disappointing. Our COAR grant applied for in 2016, to obtain 50% of the local share of our Taxiway Alpha rehabilitation, or \$12,500, resulted in a final grant award of only \$2,148. We have not applied for another COAR grant due to the low return on investment in time and effort needed to complete the required process.

With the recent loss of ConnectOregon funding for aviation, we recognize that replacing funding for aviation infrastructure projects across the state is important. Trying to replace this funding with an increase in jet fuel tax not only results in only a fraction of the funding needed, but puts air service retention and development at risk. Re-establishing aviation funding through the ConnectOregon program is a more sustainable approach.

We fight on a national level for every commercial flight we have at the Eugene Airport to meet the air travel needs in our region. Assuming the sunset is lifted, the current state jet fuel tax will remain at three cents per gallon. An additional two cent increase may seem small, however, given the highly competitive nature of the commercial airline industry it would act as a deterrent for airlines to add additional seat capacity, new nonstop routes, or for a new airline to enter the commercial airport markets in Oregon. We urge the committee to oppose this bill as written.

Sincerely,

Timothy Doll, A.A.E.

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