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February 10, 2020

Senator Lee Beyer, Co-Chair Representative Caddy McKeown, Co-Chair Oregon State Legislature Joint Committee on Transportation 900 Court Street NE Salem, OR 97301

Dear Senator Beyer, Representative McKeown and members of the Committee,

On behalf of the nearly 250 Delta Air Lines employees and their families in Oregon, we ask that you oppose HB 4036 in its current form which would result in increasing the jet fuel tax from 3 cpg to 5 cpg. Delta does not oppose eliminating the 2022 sunset and retaining the existing tax without an additional increase.

This bill as drafted not only seeks to increase the jet fuel tax from 3 cpg to 5 cpg, but also to eliminate the sunset on the jet fuel tax meaning the new rate would be in effect in perpetuity. Jet fuel remains volatile and the largest cost of input for airlines. HB4036 could have a significant impact on Oregon's competitive position for air service as the price of fuel increases in the future. This summer, Delta will serve 4 markets on 58 peak day flights to 17 destinations this summer to and from Oregon, carrying over 3 Million passengers in and out of the State annually. Since 2012, Delta service has grown dramatically in Oregon, adding over 1.8 Million seats, or a capacity increase of over 88%.

Delta is proud of its historic and current role as Oregon's leading international carrier, and we are looking to expand that position this year. Currently, Delta serves Amsterdam, London and Tokyo direct from Oregon Delta is excited that we were awarded service last year from Portland International Airport (PDX) to Tokyo's Haneda Airport. Success of this and other international routes at PDX are heavily reliant on connecting traffic from other airports and other states. Without the ability to connect passengers efficiently and cost-effectively at PDX, the passengers will book other connection points, and the success of these international routes could be put at jeopardy.

Delta understands the critical need to invest in infrastructure where we operate, and we believe we do that through the current taxes and fees we pay in Oregon, as well as federal excise taxes that fund airport development in Oregon. We respectfully ask the Oregon legislature to reject HB 4036 in its current form and amend it by eliminating the 2022 sunset and retaining the existing tax without an additional increase.

Sincerely,

Dana Debel

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Managing Director State & Local Government Affairs