

February 12, 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:

UPS and our 5,800 employees in Oregon are proud to serve thousands of customers daily in the state. In addition to our iconic brown trucks, UPS also flies multiple aircraft in and out of Oregon each day. On behalf of our operators and employees in Oregon, I am writing you to ask you consider amending H.B. 4036 in its current form which would result in increasing the existing jet fuel tax from 3 cents per gallon (cpg) to 5cpg.

As drafted, the bill not only seeks to increase the jet fuel tax from 3cpg to 5cpg, but also to eliminate the sunset on the jet fuel tax scheduled to take place in 2022, making the new rate permanent. Jet fuel is consistently one of the largest costs for airlines, and H.B. 4036 could have a significant impact on Oregon's competitive position for not only passenger air service, but also the express services that cargo air carriers bring to the table.

As UPS and other services consider expansion opportunities and adding additional services, tax rates are one of the primary considerations. UPS understands the critical need to invest in infrastructure where we operate, and we already pay into that infrastructure through the millions of dollars we pay in current taxes, lease and landing fees in Oregon. A major concern with increasing jet fuel taxes is the revenue gets diverted into funding projects at airports we do not utilize. We respectfully ask the Oregon legislature reject H.B. 4036 in its current form and amend it by retaining the existing tax without an additional increase.

Regards,

A handwritten signature in cursive script that reads "Kristal Fiser".

Kristal Fiser  
Director  
UPS Public Affairs