

March 24, 2025

Senator Chris Gorsek, Co-Chair
Representative Susan McLain, Co-Chair
Joint Committee on Transportation
Oregon State Capitol
Salem, Oregon 97031

Co-Chair Gorsek, Co-Chair McLain, and Members of the Committee:

As commercial service airports, we oppose HB 2153. HB 2153 would double the tax on jet fuel within a year, and then index the tax to inflation thereafter. While we understand the funding and infrastructure needs of small airports throughout the state, this policy, at this time, represents the wrong solution.

It is inequitable to propose any further increase in the state aviation fuel tax. As detailed by the Airlines for America in their analysis, airlines collect federal taxes from passengers and shippers to fund the FAA's Airport Improvement Program (AIP) which provides federal grants for airports small and large. In fiscal year 2024, Oregon's commercial service airports received less than half the state's AIP grants of nearly \$51 million, with Portland International Airport (PDX) receiving only 14 percent.

An increase in the jet fuel tax would harm commercial service competitiveness at a sensitive time. Commercial air service has not yet recovered to pre-pandemic levels. This is an industry that was hit hard, and in many ways, reshaped by the pandemic. International and domestic connections bring enormous value to our state and cannot be taken for granted in a highly competitive market. The proposed increase, tied with the automatic CPI adjustment, would undoubtedly harm our ability to compete for air service. We run the very real risk of air travel becoming more expensive, but with fewer options – a bad result for Oregonians.

Finally, finding an equitable, logical path to pay for the infrastructure needs of Oregon's airports requires early and thoughtful collaboration with affected parties. This was missing in the process leading up to HB 2153. We have heard from airline partners and the Oregon Department of Aviation, alike, willingness to collaborate on common ground – and would hope for some of this to be found in the interim.

At this time, however, HB 2153 would solve one problem while creating several others.

We urge your opposition.

Sincerely,



Dan Pippenger
Chief Aviation Officer
Port of Portland



Fred LeLacheur, P.E.,
Acting for:
Zachary Bass, C.M., Airport Director
Redmond Municipal Airport