



Dana Debel
Managing Director

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April 15, 2019

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 2402 which would result in a doubling of the tax on jet fuel in Oregon.

This bill not only seeks to increase the jet fuel tax from 2 cpg to 4 cpg, but also to eliminate the sunset on the jet fuel tax that was part of a careful negotiation between all parties in 2015. The legislation that passed for the short-term, jet fuel tax is scheduled to sunset the 2 cpg tax in 2022. HB 2402 will eliminate that sunset as well.

In the last year, oil prices have risen dramatically, driving a \$2 Billion increase in fuel costs for Delta alone year-over-year. Given the challenging fuel environment, and HB 2402 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 52 peak day flights 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 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 and through our partner AeroMexico, we provide direct service to Mexico City, Mexico. Delta has included Portland Airport (PDX) in its application to provide service to Tokyo's Haneda Airport, an application that is currently being reviewed by the US Department of Transportation. 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 2402.

Sincerely,

A handwritten signature in cursive script that reads "Dana Debel".

Dana Debel
Managing Director State & Local Government Affairs

