

# CITY OF ASHLAND

May 7, 2019

RE: Support of HB 2402

Dear Co-Chair Lee Beyer and Co-Chair Caddy McKeown,

City of Ashland are writing to request your support of HB 2402.

HB 2042 removes the January 1, 2022 sunset on the aviation and jet fuel tax that was authorized by HB 2075 in 2015. Passage of HB 2075 resulted in grant funding for the State's Aviation System Action Program (ASAP) which primarily supports airport capital improvement projects and air service development programs. Of the ASAP grants approximately \$3.7M annually provide a leverage of \$33.2M in federal infrastructure grant funds. (See attached summary for further detail.)

The Federal Aviation Administration (FAA) provides limited funding for airport capital projects but cannot cover all airport infrastructure needs and cannot be used at all for air service development programs. State grant funding for airports is critical to their continued success. Beginning in 2018, aviation was cut from Connect Oregon funding, resulting in an average twenty-five-million-dollar (\$25M) annual grant revenue loss for Oregon airports. Up until 2018, Oregon airports had received generous funding from the Connect Oregon program which was used to match grant funding from the FAA. This dramatic shift in the Connect Oregon Program results in a significant funding loss which desperately needs to be restored. The State's ASAP grant funds provide a fraction of the lost Connect Oregon funds and will disappear in 2022 if the sunset is not removed. In addition, the loss of Connect Oregon funding has significantly increased competition among Oregon airports for the limited available funding sources through the ASAP.

Without the passage of HB 2402, Oregon airports will lose this lone source of grant funding due to the current sunset provision which becomes effective in January of 2022. Passage of HB 2402 will ensure that the grant program will continue to assist the Ashland Municipal Airport and many other Oregon airports with an opportunity to receive funding from the ASAP, which is often used to provide the required local grant match for FAA-funded projects.

We strongly urge your support of HB 2402. HB 2402 assists Oregon's entire network of public use airports, including the Ashland Municipal Airport, by providing certainty, economic growth, and sustainability that are desperately needed.

Sincerely,



Attachment: Support HB 2402 Summary Sheet

