



To: Co-chairs Beyer & McLain, Members of the Joint Transportation Committee

From: Larry Graves, Director, Josephine County Airports

Date: February 2, 2021

Re: Josephine County urges Support for HB 2034

In 2015, the Legislature recognized that Oregon's 97 public use airports were (and are) chronically under-funded, so they passed HB 2075. This bill increased aviation fuel taxes by 2-cents per gallon to support Oregon's public and rural airports. The increase generated about \$8 million per biennium and resulted in 109 projects being funded at 49 airports. Oregon's airports often have difficulties procuring the matching funds required to leverage state and federal grants, and HB 2075 has enabled tens of millions of dollars in FAA and ODA grants to be awarded over the past several years.

The program sunsets in January 2022 unless the legislature approves HB 2034 and removes the sunset.

HB 2075 (2015) funded three important aviation programs:

- 1. Critical Oregon Airport Relief Program (COAR) – 50%**
 - Match requirements for federal dollars (FAA grants) – leverages \$9 of federal money for every \$1 of state money.
 - Emergency preparedness and infrastructure, including seismic studies, emergency generators, etc.
 - Critical infrastructure, services, and local economic development
- 2. State Owned Airport Relief Program (COAR) – 25%**
 - Safety Improvements recommended by the State Aviation Board
 - Infrastructure Projects at public use airports
- 3. Rural Oregon Aviation Relief Program (ROAR) -- 25%**
 - Supporting Commercial Air Service to and from Rural Oregon

Preservation and improvement of the state's aviation system will require additional investment if airports are to continue to drive over **\$24 billion** in economic activity and support over **76,000 direct and indirect jobs** in Oregon. Airports need a funding source that is stable and certain to support economic development and leverage 9x in federal funding.

HB 2034

- Removes the January 1, 2022 sunset on the aviation fuel tax increase that was authorized in 2015.
- Eliminates the ROAR program, allocates the existing \$2 million per biennium revenue stream to the COAR program which can be used to potentially leverage up to \$18 million in additional federal grant money.
- Allows rural air service to be eligible for COAR grants.

Josephine County supports HB 2034 for two key reasons:

1. Failure to remove the sunset on the 2015 aviation fuel tax increase will result in a major loss of grant-matching funds for Oregon's airports, and will result in safety and deferred maintenance issues at airports across the state.
2. Allows the Oregon Aviation Board to set, by rule, funding priorities for COAR funds, adding flexibility to the program and potentially leveraging even more federal dollars.

Josephine County Airports respectfully urges you to support HB 2034, which greatly enhances the safety, emergency preparedness and economic development opportunities at Oregon's 97 public-use airports.