



Statement of the Cargo Airline Association Fuel Tax Bill (HB 249)

The Cargo Airline Association is the nationwide trade organization representing the interests of United States all-cargo air carriers.¹ On behalf of our members, we appreciate the opportunity to submit a statement on the proposed Fuel Tax Bill (HB 249) before the Alaska House Transportation Committee. As detailed below, all-cargo airlines depend on the State of Alaska as a critical piece of our international cargo network. Our members have made significant investments in the state. And, as we continue to grow our operations in Alaska we cannot support a bill that proposes to triple our tax burden. Therefore, the Cargo Airline Association opposes HB 249.

The State of Alaska plays a vital role in the movement of cargo throughout our global network. Our members have consistently had good working relationships with the State of Alaska and the airports throughout the region. All-cargo airlines have made significant investments in Alaska, including moving hub operations to Anchorage. Additionally, one of our members has testified to employing over 1,110 people in Alaska, including 489 pilots who are domiciled there. The city of Anchorage is an especially important gateway to the Asia-Pacific region and service to the area will only continue to grow as international cargo operations expands. Our dependence on this vital region and long-standing relationships here has allowed our members to bring products into and out of even the most remote regions in the state.

We are concerned that bill HB 249 as proposed would negatively impact the service our members provide to Alaska. Tripling the aviation fuel tax to \$0.10 per gallon would move Alaska to within the top 20 of the most burdensome aviation-related tax states. The Cargo Airline Association certainly appreciates the need for the legislatures to continue to invest in the infrastructure in Alaska, but we feel that this goal can be accomplished through the taxes and fees we currently pay. We respectfully request that the House reject HB249.

Thank you for the opportunity to provide our comments.

Respectfully submitted,

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President

February 25, 2016

¹ Airline members are: ABX Air, Atlas Air, Inc., FedEx Express, Kalitta Air and UPS Airlines.

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