

HJR

18

ALASKA STATE LEGISLATURE

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REPRESENTATIVE KYLE JOHANSEN
DISTRICT ONE

Chair
Transportation

Vice Chair
Fisheries

Member
Economic Development,
Trade and Tourism
State Affairs

Sponsor Statement - HJR 18

Alaska depends heavily on general aviation to move and distribute mail, supplies, goods, and people around the state. In 1999, Alaska had 10,605 registered pilots and 8,053 registered aircrafts. In many rural communities, aviation is the only means of transportation to and from larger cities for goods, supplies, and medical treatment.

Federal legislation called the "Next Generation Transportation System Financing Reform Act of 2007" (HB 1356 and SB1076) is pending before Congress. Passage of this legislation would impose a dramatic increase in jet fuel and aviation gas taxes. The proposed legislation will increase aviation gas from 19.4 cents per gallon to 70 cents per gallon and aviation fuel from 21.9 cents per gallon to 70 cents per gallon. Such a tax increase will have an immediate negative impact on the people of Alaska and their transportation needs.

HJR 18 brings the negative impact of the tax increases and other problematic parts of the bills to the attention of Alaska's Congressional delegation and other key members of Congress. It also urges them to oppose the legislation.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR18
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title: "Opposing the enactment of the provisions in the RDU Legislative Council
Next Generation Transportation System Financing Reform..." Component Council and Subcommittees
Sponsor: Representative Johansen
Requester: House Transportation Committee Component No. 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Division: Legislative Affairs Agency
Approved by: Pamela Varni, Executive Director
Agency: Legislative Affairs Agency

Phone: 465-6626
Date/Time: 4/5/07 4:24 PM
Date: 4/5/2007

25-LS0830C

Kane

4/10/07

**CS FOR HOUSE JOINT RESOLUTION NO. 18(TRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVE JOHANSEN

A RESOLUTION

1 **Opposing the enactment of the provisions in the Next Generation Transportation**
2 **System Financing Reform Act of 2007 that impose air traffic control user fees, increase**
3 **aviation fuel and aviation gas taxes, and reduce airport funding.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS**, because of Alaska's geography and its many isolated communities
6 without road access, the state has historically relied heavily on general aviation as a major
7 component of its transportation system; and

8 **WHEREAS** the people of Alaska continue to depend on general aviation to move and
9 distribute mail, supplies, goods, and people around the state; and

10 **WHEREAS**, as of May 1999, Alaska had 10,605 registered pilots and 8,053
11 registered aircraft, approximately one pilot and one aircraft for every 61 Alaskans; and

12 **WHEREAS** it is estimated Alaska has about six times as many pilots per capita and
13 16 times as many aircraft per capita as the rest of the United States; and

14 **WHEREAS** Alaska ranks sixth in the total number of airports with 583, including
15 heliports and seaplane bases, a number that equals approximately 3.5 percent of the total

1 number of airports in the United States; and

2 **WHEREAS** Alaska is among the top states in the number of seaplane bases with 102,
3 approximately 25 percent of the United States total; and

4 **WHEREAS** Alaska has two of the world's largest seaplane bases in the world with
5 Lake Hood in Anchorage, which accommodates more than 800 takeoffs and landings on a
6 peak summer day, and Ketchikan, where approximately 16,000 takeoffs and landings by
7 seaplanes and general aviation planes occur in each month in the summer; and

8 **WHEREAS** H.R. 1356 and S. 1076, companion bills proposing the Next Generation
9 Air Transportation System Financing Reform Act of 2007, that are pending before the United
10 States Congress would increase the tax on aviation gas from 19.4 cents a gallon to 70 cents a
11 gallon and the tax on aviation fuel from 21.9 cents a gallon to 70 cents a gallon; and

12 **WHEREAS** because of Alaska's unique geography and dependence on general
13 aviation, such an increase in taxes, implementation of user fees, and reduction of airport
14 funding would be detrimental to the economy of this state and would have a particularly harsh
15 impact on many isolated rural communities;

16 **BE IT RESOLVED** that the Alaska State Legislature respectfully opposes the
17 enactment of the provisions in the Next Generation Air Transportation System Financing
18 Reform Act of 2007 that impose user fees, increase aviation fuel and aviation gas taxes, and
19 reduce airport funding.

20 **COPIES** of this resolution shall be sent to the Honorable Bart Gordon, Chair of the
21 U.S. House of Representatives Committee on Science and Technology; the Honorable Ralph
22 Hall, Ranking Member of the U.S. House of Representatives Committee on Science and
23 Technology; the Honorable Mark Udall, Chair of the Subcommittee on Science and
24 Aeronautics of the U.S. House of Representatives Committee on Science and Technology; the
25 Honorable Ken Calvert, Ranking Member of the Subcommittee on Science and Aeronautics
26 of the U.S. House of Representatives Committee on Science and Technology; the Honorable
27 James Oberstar, Chair of the U.S. House of Representatives Committee on Transportation and
28 Infrastructure; the Honorable John L. Mica, Ranking Member of the U.S. House of
29 Representatives Committee on Transportation and Infrastructure; the Honorable Jerry F.
30 Costello, Chair of the Subcommittee on Aviation of the U.S. House of Representatives
31 Committee on Transportation and Infrastructure; the Honorable Thomas E. Petri, Ranking

1 Member of the Subcommittee on Aviation of the U.S. House of Representatives Committee
2 on Transportation and Infrastructure; the Honorable Charles B. Rangel, Chair of the U.S.
3 House of Representatives Committee on Ways and Means; the Honorable Jim McCrery,
4 Ranking Member of the U.S. House of Representatives Committee on Ways and Means; the
5 Honorable Daniel Inouye, Chair of the U.S. Senate Committee on Commerce, Science, and
6 Transportation; the Honorable John D. Rockefeller, IV, Chair of the Subcommittee on
7 Aviation Operations, Safety, and Security of the U.S. Senate Committee on Commerce,
8 Science, and Transportation; the Honorable Trent Lott, Ranking Member of the
9 Subcommittee on Aviation Operations, Safety, and Security of the U.S. Senate Committee on
10 Commerce, Science, and Transportation; the Honorable John Katz, Director of State and
11 Federal Relations and Special Counsel to the Governor of Alaska; and the Honorable Ted
12 Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young,
13 U.S. Representative, members of the Alaska delegation in Congress.

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2007 LEGISLATIVE SESSION

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Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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Prepared by: Karla Schofield, Deputy Director Phone 465-6626
 Division: Legislative Affairs Agency Date/Time 4/5/07 4:24 PM
 Approved by: Pamela Varni, Executive Director Date 4/5/2007
 Agency: Legislative Affairs Agency



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Anchorage Daily News (AK)
March 16, 2007
Section: Money
Edition: Final
Page: F1

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Proposal to quadruple aircraft fuel taxes worries small-plane operators

The Associated Press

WIRE

Small-plane operators in Alaska said they are worried about a Federal Aviation Administration proposal to nearly quadruple fuel taxes for **general aviation** aircraft. The tax increase would not apply to airlines or the military, but would affect corporate jets, private charters, emergency helicopters, charter shipping and almost all service to rural communities.

Taxes on **aviation** gas and **aviation** fuel are currently 19.4 cents per gallon and 21.9 cents per gallon, respectively. Under the proposal, both would increase to 70.1 cents per gallon.

Alaska has more pilots per capita than any other state and many are worried about the increase in costs under the proposal, which is part of an overhaul to the Federal **Aviation** Administration funding structure.

"Here in Alaska, since we don't have much in the way of roads, we tend to use **aviation** as a basic form of transportation," said Tom George, Alaska representative for the Aircraft Owners and Pilots Association.

General aviation advocates said the proposed increase could raise the cost of goods and services, especially to rural areas, threaten **aviation** jobs and decrease airport revenues as small-plane pilots cut down flights.

Commercial airlines and passenger groups said the proposal would usher in a more equitable way to fund the FAA.

The FAA believes the changes are justified because **general aviation** accounts for 11 percent of the air traffic costs but contributes only 3 percent of the taxes that make up the trust fund.

Sens. Ted Stevens and Lisa Murkowski, R-Alaska, have both expressed concern about the proposal, while Rep. Don Young, R-Alaska, has held off making a statement while the proposal moves through the committee process.

Stevens, R-Alaska, is the ranking Republican on the Committee on Commerce, Science and Transportation, which will give the proposal another hearing on Thursday.