

United States Senate

November 2, 2011

President Barack Obama
The White House
1600 Pennsylvania Avenue Northwest
Washington, D.C. 20500

Dear Mr. President:

We write to convey continued concern for the general aviation industry and voice our opposition to your Administration's recent proposal to impose user fees on general aviation aircraft in the name of deficit reduction. With 14 million Americans looking for work, our government's first priority should be to create an environment in which businesses can grow and hire additional workers. While we agree with you that the deficit must be reduced, increasing taxes on corporate jets and other general aviation aircraft will only further stifle economic recovery.

Over the past five years, both chambers of Congress have considered new aviation user fees, even those proposed by your predecessor, and rejected them overwhelmingly. The FAA bill that has been extended twice this year has intentionally not included those provisions to raise taxes on general aviation. General aviation already contributes to the federal government through an effective system of fuel taxes. We agree with the general aviation community that fuel taxes represent the best way for that industry to contribute revenues to the federal government and support efforts to enhance the air transportation system.

We cannot impress upon you enough how important the general aviation industry is to American vitality. The industry employs 1.2 million workers and generates \$150 billion in economic activity. In many of our states, general aviation generates economic development in U.S. communities with little or no commercial airline service. As you know, the general aviation industry encompasses more than corporate jet manufacturing. Industry leaders will tell you that general aviation aircraft contribute to missions on a daily basis for emergency medical transport, aerial firefighting, law enforcement, search and rescue, disaster relief, national security, and counterterrorism. While we recognize that air ambulance, military, and other public service aircraft will not be subjected to the \$100-per-flight fee, those that manufacture the aircraft critical to these operations will be affected adversely by such an increase.

Furthermore, the United States cannot afford to shut down an industry, like general aviation, that contributes significantly to the nation's exports. In 2010, U.S. general aviation

manufacturers increased their percentage of exports to 51.6% of all aircraft produced. This trend in exports substantiates your goal of doubling U.S. exports over the next five years.

Finally, the proposal to add user fees to general aviation aircraft would mean the creation of a new federal collection bureaucracy. This would require funding to support such a collection agency, which seems counterproductive to deficit reduction. The hiring of billing agents, auditors, and collection officials will be required to facilitate this proposal. In contrast, the current fuel tax allows the government to be prepaid for its services, and the operators are not saddled with new and onerous administrative burdens. For these reasons, the fuel tax is far preferable to user fees. The current funding mechanism for general aviation provides cost-savings in contrast to the collection of user fees through a new federal collection bureaucracy.

The costs associated with user fees far outweigh any benefit to deficit reduction. We oppose their inclusion in any plan put forward by the Joint Select Committee on Deficit Reduction.

Very truly yours,

Terry Moran

John Howard

John Borgman

Mark Bayard

Sayby Chaublin

M.A.

Shirley

Pat Roberts

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