



NEWS

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NASAO URGES CONGRESS TO RESIST RAIDS ON AIP TRUST FUND INCLUDING AIRLINE TAX BREAKS

Silver Spring, Maryland - The National Association of State Aviation Officials (NASAO) is urging congress to resist all attempts to raid the Airport and Airway Trust Fund, including airline industry calls for new tax breaks. NASAO is composed of the state government officials who represent the public interest in the aviation transportation system in all 50 states, Guam and Puerto Rico.

NASAO's President and CEO, Henry Ogrodzinski, said, "It has always been NASAO's policy to try to protect the trust fund from misuse and abuse. The trust fund was originally and wisely designed by congress to invest in infrastructure maintenance and improvement at all the nation's airports. Unfortunately, in recent years much of it has been diverted to become the major source of FAA salaries and operations. Now, with nearly 80% of FAA operations being paid for by the trust fund, the airline industry wants additional federal financial relief paid for by a fuel tax 'holiday' which could further erode the viability of the trust fund. Tax breaks focused on a single industry while the whole transportation system and entire nation are suffering from higher fuel prices is inequitable, unjustifiable, and poor public policy."

He also cited news reports that airline lobbyists, in addition to trying to rollback the 4.3-cent-per gallon federal fuel tax, are also trying to get congress to suspend the 7.5 percent excise tax on passenger tickets which is also invested in the trust fund. "Airline passengers deserve safe, secure, and well maintained airports. These airports need trust fund infrastructure investments. The airlines have urged congress to press for a supplemental appropriation to the trust fund in order to make up for the tax break, but that is simply not likely to happen in the face of necessary, but highly expensive, hurricane relief and unprecedented federal deficits," Ogrodzinski said.

Earlier this year, NASAO opposed the administration's attempt to strip \$600 million out of the already authorized \$3.6 billion 2006 Airport Improvement Program (AIP) investment package, which benefits the entire aviation system. Ogrodzinski said, "We met with FAA and did the math. A \$600 million reduction in AIP would result in a 40% reduction in airport apportionment and a 50% reduction in federal discretionary investment in all state aviation infrastructure programs. It is an interesting coincidence that the airline industry says that the fuel tax break will cost the nation \$600 million."

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