

STATEMENT OF
THE HONORABLE JERRY F. COSTELLO
BEFORE THE COMMITTEE ON WAYS AND MEANS
HEARING ON THE FINANCIAL STATUS OF THE AIRPORT AND AIRWAY TRUST FUND
MAY 7, 2008

- Thank you Mr. Chairman and members of the Committee.

- On March 5, 2009, the House Transportation and Infrastructure Committee reported H.R. 915, the “FAA Reauthorization Act of 2009.” This comprehensive bill would provide approximately \$70 billion to modernize our air traffic control system, fund airport development, research programs, small community service and Federal Aviation Administration (FAA) operating expenses.

- Mr. Chairman, this legislation was supposed to be completed in September 2007. The reauthorization process has been bogged down because of inaction by the Senate. Since that time we have been acting under short-term funding extensions and

continuing resolutions that are delaying key Next Generation Air Transportation System (NextGen) and airport capital development projects. We need to get the FAA reauthorized.

- Although there are a number of contentious issues that have marked this reauthorization process, virtually the entire aviation community – airlines, airports, general aviation, state aviation officials – have communicated to us in a unified voice the need to get a multi-year reauthorization bill done as soon as possible.

- The delays that I have cited have nothing to do with the actions of this Committee. To the contrary, in the 110th Congress, this Committee acted promptly to extend the existing Airport and Airway Trust Fund (Trust Fund) tax structure with modifications to the general aviation (GA) fuel taxes. We are recommending you increase general aviation jet fuel tax rate from 21.8 cents per gallon to 35.9 cents per gallon, and that the

aviation gasoline tax rate be increased from 19.3 cents per gallon to 24.1 cents per gallon. This is the same increase that the Ways and Means Committee reported in 2007, and that passed the House on September 20, 2007 by a 267 to 151 vote.

- We believe that Trust Fund revenues, coupled with additional revenue from the recommended GA fuel tax rate increases, and a reasonable General Fund contribution, will be sufficient to provide for the historic capital funding levels required to modernize the air traffic control system.

- We also believe it is equitable for the GA community to pay slightly more, given that their gas tax has not been increased for inflation in over 15 years. In addition, witnesses representing the Aircraft Owners and Pilot's Association and the National Business Aviation Association supported our proposal at an Aviation Subcommittee hearing earlier this year.

- With that, I want to thank you for allowing me to provide brief remarks and look forward to working with all of you as we move forward on FAA reauthorization.