

Aviation Industry Coalition Sends Unified Message to Congress

WASHINGTON, Oct. 27, 2011 – A united aviation industry coalition of nearly 30 organizations is opposing proposed tax increases, which would lead to significant job loss across all sectors of the industry and the nation.

As part of its debt-reduction plan, the White House is proposing – and the Congressional Super Committee is now considering – two new initiatives on airlines and their passengers and general aviation. The first would add a new \$100 departure tax – disguised as a fee – to all flights, and the second would double the existing passenger security tax to \$5 per one-way trip in 2012, and triple the tax to \$7.50 by 2017. The coalition of airlines, general aviation, manufacturers, consumer organizations and labor groups is sending a unified message to Congress to reject the proposed taxes.

“U.S. airlines, general aviation and aviation manufacturing companies and their respective employees face intense competition from the rest of the world. Our policymakers should be focused on increasing U.S. international competitiveness rather than viewing the industry as a collection agency,” said ATA President and CEO Nicholas E. Calio. “If we are to maintain global leadership and increase jobs in this country, we need to ensure that tax policy is focused on strengthening U.S. aviation leadership and furthering the safety and modernization of the aviation system.”

A growing bipartisan group within Congress opposes the Administration’s burdensome tax proposal. Nearly 120 members of the House of Representatives recently told congressional leadership that the \$100 departure fee would have a “devastating impact on the aviation industry and fails to achieve our shared goal of improving the economy and creating jobs. The fee would cost airlines an estimated \$1 billion a year.”

The letter also cites the devastating effect that the \$100 per flight fee will have on general aviation: “Imposing such a fee would stifle the industry, as has been the case in other countries where user fees have been put in place. General aviation is an important contributor to our economy with 1.3 million jobs and \$150 billion in economic activity every year.”

Also this month, House Homeland Security Committee Chairman Peter King (R-N.Y.) told leaders of Congress’ appropriation panels that increasing the passenger security tax would hurt the industry at a crucial time for the economy. “If Congress were to increase the fee at this time, we would be hurting a vital sector of the global economy,” King wrote.

On behalf of the coalition, Calio commended lawmakers who are rejecting the Administration’s tax plan. “We have been meeting with Members of Congress to convince them that further taxes on airlines and their passengers should be rejected,” Calio said. To increase awareness and educate consumers and Congress, ATA recently launched the website, www.stopairtaxnow.com, where visitors can urge Congress to reject punitive taxes on airline passengers and, at the same time, save American jobs and air service to their communities.

The industry coalition includes the following organizations:

Aerospace Industries Association
Aerospace States Association
Air Carrier Association of America
Air Line Pilots Association
Air Traffic Control Association

Air Transport Association
Aircraft Electronics Association
Aircraft Owners and Pilots Association
Association of Flight Attendants
Cargo Airline Association
Consumer Travel Alliance
Experimental Aircraft Association
General Aviation Airport Coalition
General Aviation Manufacturers Association
Global Business Travel Association
Helicopter Association International
Interactive Travel Services Association
International Air Transport Association
International Association of Machinists and Aerospace Workers
National Agricultural Aviation Association
National Air Carrier Association
National Air Transportation Association
National Air Traffic Controllers Association
National Association of State Aviation Officials
National Business Aviation Association
Recreational Aviation Foundation
Regional Airline Association
Transport Workers Union of America, AFL-CIO

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Coalition Quotes:

"American businesses, communities, and families benefit when they are able to travel. Increased fees will discourage people from using the US airline system."

-- Ed Faberman, Air Carriers Association of America

"Our U.S. airlines are a cornerstone of the nation's economy, driving more than \$1 trillion in economic activity per year and supporting more than 10 million jobs, including more than 50,000 ALPA pilots. The job-killing proposals to impose additional taxes on the aviation industry is simply not sustainable for an industry that is already disproportionately taxed, and would cripple the industry at a time when it is just beginning to recover from the impact of 9/11."

-- Capt. Lee Moak, president, Air Line Pilots Association

"The record is clear. User fees imposed on any segment of the aviation industry tend to expand and grow. Such fees could cripple the general aviation community, which contributes \$150 billion to the economy each year. The current funding system works. Let's not try to fix what isn't broken."

-- Craig Fuller, president, Aircraft Owners and Pilots Association

"While the AEA applauds the administration for including funding of \$1 billion to support NextGen Air Traffic Modernization efforts in its plan, it is discouraging to see another stab at a user fee scheme being pushed on our already fragile industry."

-- Paula Derks, president of the Aircraft Electronics Association

"A user fee system will not only create an expensive and unnecessary federal bureaucracy, but also instantly hinder the growth of general aviation and drive more job losses in our country."

-- Rod Hightower, president and CEO, Experimental Aircraft Association

"We stand united with our commercial and general aviation brethren in our opposition to user fees. Simply put, if implemented, user fees will negatively impact safety and increase the federal bureaucracy at a time when we should be finding efficiencies. When user fees like these have been imposed in other countries, they have led to the systematic destruction of vibrant general aviation industries. This proposal has serious negative ramifications for general aviation manufacturers, our employees, and our nation's competitiveness."

-- Pete Bunce, president and CEO, General Aviation Manufacturers Association

"Far too often, the government turns to travelers to make up budget shortfalls. This shortsighted approach is harmful to one of the few engines that has continued to slowly grow in this tough economy."

-- Michael W. McCormick, executive director and COO, Global Business Travel Association

"Air traffic control exists to maintain safety, and imposing a fee for using ATC services in the name of deficit reduction puts money ahead of safety. Helicopter operators, like the rest of general aviation, already contribute to the aviation system through efficient pay-at-the-pump fuel taxes."

-- Matt Zuccaro, president, Helicopter Association International.

"The Interactive Travel Services Association (ITSA), the voice for online travel and global distribution system companies that power the travel industry, stands with ATA in opposing these aviation tax increases. Burdensome and disproportionate travel and tourism taxation in all its forms seriously threatens our industry and the millions of jobs we create. These taxes will have negative ripple effects across all travel industry participants and the millions of consumers we serve."

Joe Rubin, president, Interactive Travel Services Association

"Connectivity is the lifeblood of the economy--in the US and globally. Aviation is a catalyst for economic growth that support \$3.5 trillion in economic activity and 33 million jobs globally. Making flying more expensive makes doing business more expensive. That's no way to restart the economy,"

--Tony Tyler, Director General and Chief Executive Officer, International Air Transport Association

“User fees levied on aircraft used to treat food, fiber and bio-fuel crops would be devastating to not only the businesses that conduct this work but also to the farmers who depend on them. Ultimately these costs will trickle down to the consumers as well. It is not uncommon for aircraft used to make these aerial applications to take off and land scores of times in a single day. With user fees proposed at \$100 per flight this would put a significant cost burden up and down the food chain, let alone to low level fire-fighters and applicators that use aircraft to treat public health-threatening pests such as malaria and encephalitis carrying mosquitoes. For these reasons the aerial application industry and the National Agricultural Aviation Association oppose user fees.”

-- Andrew D. Moore, executive director, National Agricultural Aviation Association

“The aviation industry is united in opposing the President’s \$100 per-flight fee or any other “user fee” that would be detrimental to the general aviation industry, commercial airlines, domestic manufacturing, small businesses, and our economic recovery. The aviation industry alone employs nearly 1.3 million workers and contributes more than \$1.2 trillion to the U.S. economy. The industry and Congress support the current system of aviation excise taxes, which is a stable, efficient, and equitable source of funding. Per-flight user fees have crippled the general aviation industry in other countries, and the ramifications of such fees would be devastating in the U.S.”

-- James K. Coyne, president and CEO, National Air Transportation Association

"We are joined with the rest of the aviation community in opposing new per-flight user taxes. Such fees are an inefficient means of collecting revenue, and they pose an onerous administrative burden on the many people who rely on an airplane to help their small and mid-size businesses succeed. As congress considers legislation to address the jobs and deficit crises, we want legislators to understand that user fees wouldn't provide a solution, but instead would create a daunting new challenge for companies all across the country."

-- Ed Bolen, president and CEO, National Business Aviation Association

“This tax would place the heaviest burden on regional airlines that provide the only source of scheduled air service to over 75 percent of the nation’s airports. This jeopardizes air service to some 500 U.S. communities relying on regional airlines exclusively for their scheduled flights. "Make no mistake: This tax jeopardizes air service at places where air service is the only link to the global economy, putting smaller communities out of business."

-- Roger Cohen, president, Regional Airline Association