



**Opening Statement of Chairman Graves
User Fees in the Aviation Industry: Turbulence Ahead
Committee on Small Business
September 12, 2012**

Good afternoon. This hearing will come to order. Thank you all for joining us. We have an excellent panel with us today as we examine President Obama's proposal to impose a per flight user fee on aviation operators.

Unfortunately, this is not a new proposal. Previous presidents have suggested a user fee system for aviation, in addition to the current taxes and fees already levied, as a way to bolster the Airport and Airways Trust Fund. Fortunately, these proposals have never been enacted and today, we're going to discuss how important it is that they never are.

In his fiscal year 2013 budget, President Obama proposed a \$100 per flight user fee on aviation operators. Imposing such a plan has the very real potential to stifle the general aviation industry as a whole and harm job creation.

The general aviation industry is predominantly made up of small businesses. Annually, it accounts for about 27 million flight hours and carries 166 million passengers to around 5,000 communities. According to the National Air Transportation Association, more than two-thirds of general aviation flights are for business purposes. Overall, general aviation -- both operations and manufacturing -- employs about 1.2 million people and contributes approximately \$150 billion to our gross domestic product. Bottom line, general aviation is a significant part of our national economy.

The general aviation community has always contributed financially to the national air transportation infrastructure. Since the inception of the Airport and Airways Trust Fund, the general aviation community has paid its share through a 21.9 cents per gallon tax on jet fuel and a 19.4 cents-per-gallon tax on aviation gasoline. All without the need for a large bureaucracy to collect these taxes from hundreds of thousands of individual pilots and aircraft owners. This is a far more equitable, efficient way to address our aviation infrastructure needs.

Imposing a \$100 per flight user fee on operators is simply the wrong approach. The President offered few details as to how such a system would be established and even less analysis of how it would impact the aviation industry. I believe this is bad policy, and there is little doubt it would stifle job creation and economic growth in the United States. I would also like to remind my colleagues of the broad and bipartisan opposition from Congress to the President's proposal and ask unanimous consent that this letter, signed by 195 members of Congress, expressing concerns be submitted into the record.

Again, I want to thank each of our witnesses for taking the time to be with us today. I look forward to hearing your testimony. I now yield to our Ranking Member, Ms. Velazquez for her opening statement.