



## **General Aviation and the Airport & Airway Trust Fund**

### **Fuel Taxes: The Perfect Way To Pay**

General Aviation (GA) contributes to the Airport & Airway Trust Fund (Trust Fund) through a fuel tax. Jet fuel is taxed at 21.9 cents per gallon and aviation gasoline is taxed at 19.4 cents per gallon. GAMA supports the continued use of this excise tax as GA's contribution to the Trust Fund.

GAMA believes the current method is the fairest way to attribute use of the national airspace. The amount of fuel purchased is directly related to the time, distance and facilities used by GA aircraft. This method is easily administered because users pay at the pump and the government collects from a small number of established oil companies. It discourages operators from flying into congested airspace and airports where holding patterns and ground delays waste fuel. And the current system also promotes fuel efficiency and conservation.

### **Continued Government Investment Needed**

An annual general fund contribution is necessary for the continued health and growth of the aerospace industry. The current fiscal year (FY05) contribution is \$2.828 billion. The general fund contribution to the FAA's budget has dropped over the last several years.

Our industry makes the largest foreign trade surplus contribution of all industrial segments in the U.S. - \$32 billion in 2004. In order to stay competitive in the world market, the federal government needs to maintain its investment in airspace infrastructure. At a minimum, an annual general fund contribution is necessary to fund items such as the safety oversight, military use of airspace, and research and development.

### **Cost Versus Revenue**

GAMA believes that any discussion of trust fund revenues must be in concert with an examination of FAA spending. Before revenue increases are considered, costs must first be examined and efficiencies implemented. Reduced costs and spending through new technologies and procedures can aid in the efficient use of trust fund revenues. For example, implementing certified design organization during the aircraft certification process, consolidation of flight service stations and retiring costly, outdated navigational aids will help to leverage dwindling FAA resources.

Before tax increases the FAA, industry and Congress need to determine how any additional revenue would be spent. How will personnel costs be addressed? Will the additional revenue be spent on transforming the national airspace to accommodate all users? Will advanced technologies be implemented to reduce maintenance costs? Many questions must be asked and answered before tax increases are considered.

GAMA is an international trade association headquartered in Washington, DC representing over 50 of the world's leading manufacturers of general aviation aircraft, engines, avionics and related equipment. GAMA's members also operate fleets of aircraft, fixed based operations, and pilot training and maintenance training facilities. For additional information, contact Jeff Sural at [jsural@GAMA.aero](mailto:jsural@GAMA.aero) or Brian Riley at [briley@GAMA.aero](mailto:briley@GAMA.aero) or at 202-393-1500.