

November 4, 2015

The Honorable Mike Pompeo (R-KS)
U.S. House of Representatives
436 Cannon House Office Building
Washington, DC 20515

Dear Representative Pompeo:

The National Air Transportation Association (NATA) is pleased to support your amendment to H.R. 22, the Hire More Heroes Act of 2015. The amendment, requiring the Government Accountability Office (GAO) to conduct a study of diversions of non-commercial jet fuel tax revenues to the Highway Trust Fund, is important to understanding its full impacts to general aviation consumers, businesses and the Airport and Airway Trust Fund.

NATA's nearly 2,300 member companies are a vital prerequisite for a vibrant general aviation sector providing fuel, aircraft maintenance, parts sales, storage, rental, airline servicing, flight training, Part 135 on-demand air charter, and fractional aircraft program management.

The provision to be reviewed by GAO was inserted into the 2005 highway bill based on a concern that the 2.5-cent per gallon difference between highway diesel and jet fuel tax rates would somehow incent truckers to use jet fuel. This ignored the fact that in 2005 the average price of diesel was \$2.44pg and Jet A \$3.75pg. Today, the average price of diesel is \$2.86pg and Jet A is \$4.71pg.

As a result, since 2005, the tax rate applied to all jet fuel sales, except that used by the scheduled airlines, is at the highway fuel tax rate of 24.4 cents per gallon. All collected funds are deposited into the Highway Trust Fund instead of the Airport and Airway Trust Fund (AATF) through a refund mechanism and subsequent transfer to the aviation fund is available.

However, the IRS provides no avenue for a noncommercial general aviation end-user to apply for the refund. A fuel vendor may apply for refunds, but only after completing an arduous IRS registration process and then managing the substantial administrative burden to maintain records for the IRS. There is no requirement for fuel vendors to

register with the IRS; it is purely voluntary and most fuel vendors are not participating due to the additional workload. Thus the AATF receives no revenue from the majority of non-airline jet fuel sales because noncommercial end users are not permitted to apply for the refund themselves.

We hope that as GAO reviews the questions outlined in your amendment, it will also review the underlying 2005 law and whether the significant cost disparity between jet and diesel fuel makes the provision necessary. We also hope GAO examines whether fuel additives and diesel engine design changes since 2005 also render the provision nothing more than a bureaucratic roadblock draining the Airport and Airway Trust Fund of revenues needed for airport improvements and the deployment of a modernized air traffic control system.

Thank you again for your efforts on behalf of general aviation. We look forward to our continued work together to ensure the Airport and Airway Trust Fund is funded appropriately.

Best Regards,

A handwritten signature in black ink, appearing to read "Thomas L. Hendricks". The signature is fluid and cursive, with a large initial "T" and "H".

Thomas L. Hendricks
President and CEO