STATE OF MICHIGAN
MICHIGAN AERONAUTICS COMMISSION
LANSING

RICK SNYDER
GOVERNOR

December 14, 2012

The Honorable Fred Upton
United States House of Representatives
2428 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Upton:

Subject: Opposition to Proposed $100 Per-Flight User Fee

As part of the current "fiscal cliff" negotiations and ongoing budget discussions, a proposal has been advanced in Washington that would establish a new "$100 Per-Flight User Fee" on certain segments of the general aviation industry. No one enjoys paying taxes, and no one wants to pay more in taxes than absolutely necessary. The general aviation industry is no exception, but some tax systems are better than others.

General aviation fuel taxes are the best way for the industry to contribute necessary revenues to federal coffers. Fuel taxes are easy to pay, efficient to collect, simple to understand, and directly related to use of the system.

A new user fee would require creating a costly new federal billing and collection bureaucracy to administer. It also would impose a significant administrative burden on individuals and small businesses that suddenly would have to process invoices, dispute erroneous bills, and establish new recordkeeping systems. Per-flight user fees have been tried in other countries and proven to be enormously destructive to general aviation. Please do not initiate the fee here.

General aviation is a significant American industry that generates 1.2 million jobs and $150 billion in economic activity. It is one of the few U.S. industries that contribute positively to our nation's balance of trade. Moreover, general aviation in Michigan supports economic development opportunities and jobs. General aviation helps companies of all sizes to be efficient and productive, and provides important humanitarian relief during crises. Unfortunately, the recent economic downturn decimated this essential American industry, and it still has not fully recovered.

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• Mike Trout, Director, Michigan Aeronautics Commission •

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Nearly every aviation user group opposes this proposed fee. Now is not the time to impose a second tax system onto the general aviation industry – particularly since the fuel tax system is established, supported, and can be adjusted. Fuel taxes work; per-flight user fees do not.

Therefore, the Michigan Aeronautics Commission wants to go on record opposing the $100 Per-Flight User Fee. We hope you will continue to support general aviation as a vital element of Michigan's economy. While not perfect, the fuel tax is the easiest and most efficient way to fund the Federal Aviation Administration and its programs that benefit all users of the system.

Thank you for your careful consideration of this matter. If you have any questions, please feel free to contact either of us at 517-335-9568.

Sincerely,

Michael G. Trout, Director
Michigan Aeronautics Commission

J. David VanderVeen, Chair
Michigan Aeronautics Commission