



For Immediate Release
February 8, 2011

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**Opening Statement of Senator Max Baucus (D-Mont.)
Upon Marking Up the Airport and Airway Trust Fund Reauthorization Act**

We're here to consider reauthorization of the Airport and Airway Trust Fund, also known as the Aviation Trust Fund.

The Aviation Trust Fund finances our aviation infrastructure and operating costs. The fund is supported by taxes on planes, passengers, and parcels that total \$11 billion per year.

As we work to modernize our airways, the fund's reauthorization is long overdue. The last long-term reauthorization of the Trust Fund expired in 2007. Since then, Congress has extended the Trust Fund 17 times. These short-term extensions have hindered the ability of airports to engage in long-term planning.

That's no way to run a railroad. Or an Aviation Trust Fund.

Last week the Committee heard testimony from the Government Accountability Office on the state of the Trust Fund. GAO described the importance of NextGen, the satellite-based means of air traffic control. NextGen will help us make better use of our airspace. The new technology lets air-traffic controllers and pilots know the exact location of aircraft on a real-time basis.

NextGen will improve aviation safety and efficiency. And it will create jobs.

GAO also described the challenges in financing these improvements. This includes an increased share of financing borne by the General Fund, rather than by the users of the aviation system. We can address some of these challenges through the legislation before us, through three key provisions.

First, the Chairman's Mark sets the general aviation jet fuel tax at 36 cents per gallon, up from the current rate of around 22 cents.

Second, the Mark classifies fractional aircraft – or planes with multiple owners – as General Aviation for tax purposes. In keeping with the goal that funding a modernized system should be shared broadly, the Mark establishes a surcharge on fractional fuel of 14.1 cents per gallon.

Third, the Mark establishes an Air Traffic Control System Modernization Account in the Trust Fund. This account will receive \$400 million per year through taxes imposed on jet fuel, to help fund NextGen modernization.

The Senate passed a bill with these provisions last year, by a vote of 93-0. But that bill expired at the end of last Congress. It never became law.

Today we can take a solid step to reauthorize the Trust Fund, with input from our new Committee Members. I urge us to do so.

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