



June 14, 2012

The Honorable Darrell Steinberg  
President Pro Tempore  
Room 205, State Capitol  
Sacramento, CA 95814

The Honorable John Perez  
Speaker, California State Assembly  
Room 219, State Capitol  
Sacramento, CA 95814

The Honorable Mark Leno  
Chair, Senate Budget Committee  
Room 5100, State Capitol  
Sacramento, CA 95814

The Honorable Bob Blumenfield  
Chair, Assembly Budget Committee  
Room 6026, State Capitol  
Sacramento, CA 95814

The Honorable Bill Emmerson  
Vice Chair, Senate Budget Comm.  
Room 4082, State Capitol  
Sacramento, CA 95814

The Honorable Jim Nielsen  
Vice Chair, Assembly Budget Comm.  
Room 6031, State Capitol  
Sacramento, CA 95814

**RE: Opposition to Diversion of Aircraft Fuel Excise Tax to State General Fund –  
SB 1005 & AB 1465**

Dear President Pro Tempore Steinberg, Speaker Perez, Chairmen Leno and Blumenfield and Vice Chairmen Emmerson and Nielsen:

We must express our grave objections to the Legislature's proposed diversion of excise tax revenue from jet fuel sales to the state General Fund.

The primary purpose of these funds is to provide matching grants for small and medium-sized airports to leverage funds from the Federal Aviation

Administration. **The program provides 95% of capital project funding from the federal government** with the airport providing 2.5% and the CalTrans Division of Aeronautics providing grants for the remaining 2.5%. **The proposed diversion of excise tax revenues will total less than \$5 million dollars in benefit to the General Fund, but will result in the loss of tens of millions of dollars in federal aid to California airports. As a consequence, the federal funding will be allocated to other states.**

This project funding is used to execute projects at airports that have been approved by the FAA to improve safety, security and other infrastructure improvement needs. The benefit of small airports spending on capital projects **will generate income tax and sales tax revenues that will far outweigh the minuscule increase the diversion will provide to the state General Fund.**

This is a very short-sighted budget solution. We urge rejection of this proposal.

Cordially,

Jim Lites  
Executive Director

Copy: Director, Department of Finance